

REPORT

OF THE

CUSTOMS REORGANISATION COMMITTEE

1957-58

MINISTRY OF FINANCE
[DEPARTMENT OF REVENUE]
GOVERNMENT OF INDIA

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PART I

CHAPTER I

INTRODUCTORY

1. Appointment of Committee & Terms of Reference

The Customs Reorganization Committee was appointed by the Government of India, in the Ministry of Finance, by Resolution No. 4/10/55-Cus. III, dated the 23rd January, 1957, the terms of which are as follows:—

"The procedures for the clearance of goods and passengers' baggage at present followed by the Custom Houses in India have grown into their present form over many years during which rapid changes have taken place in the practices adopted in international trade and commerce. Although these procedures have been under constant review by the Collectors of Customs as well as by the Central Board of Revenue, basically they are still the same as those followed over three quarters of a century ago. Both the Government of India as well as the commercial public have, therefore, felt the need, particularly in recent years, for a detailed investigation of the content and operation of these procedures so as to achieve the requisite degree of modernisation, especially in respect of speed and efficiency. An examination would simultaneously be necessary of the connected questions of adequacy and level of efficiency of the organisation and staff of the Custom Houses. The Government of India have accordingly decided to appoint a Committee to conduct a comprehensive enquiry into Customs procedures and organization and to make recommendations for their improvement.

2 The Committee will consist of the following.—

CHAIRMAN

Shri F. C. Badhwar (Retired Chairman, Railway Board), Managing Director, Messrs Bird & Co., New Delhi.

MEMBERS

1. Shri S. M. Shah, President, All-India Importers' Association, Bombay.
2. Shri E. J. Benjamin, Director, T.I. of India (private) Ltd., Calcutta.
3. Shri W. Saldanha, Officer on Special Duty, Central Board of Revenue, New Delhi

Shri V. S. Ramaswamy, Assistant Collector of Customs, will be Secretary of the Committee.

The following will be the terms of reference to the Committee.—

(1) To examine in detail the procedure:—

(a) for the clearance of goods and passengers' baggage through the Customs at the sea ports, airports and land customs stations;

and the other for Government departments in order to collect th data and suggestions in regard to Customs problems.

3. Questionnaires issued

To enable the Committee to draw up these questionnaires in the and detail best calculated to secure the fullest and most up-to-date i mation, Chambers of Commerce and Trade Associations, Ministries of Government of India and the State Governments, Collectors of Custo and Foreign Diplomatic and U.N. Missions, were addressed and reques to furnish the Committee with preliminary memoranda on their mo pressing Customs problems. In the light of the preamble to the Gover ment of India Resolution, reproduced above, and the material containe in these memoranda, the Public Questionnaire was framed for the purpos of eliciting opinion on all aspects of Customs working and procedures In doing so, particular attention was devoted to the requirements of the new and continually developing pattern of foreign trade and tourism, and of the projects under the Five Year Plan schemes. About 7000 copies of the Public Questionnaire, which comprised 19 sections and 162 questions, and covered, as exhaustively as possible, the entire range of Customs operations, were issued to the principal Chambers of Commerce & Industry in the country and other interested parties. The Government—Departmental Questionnaire covered 238 questions and these in the main were directed to the Customs organisation. In view of the complexity of the subject, and the wide interest displayed in Customs problems, an extension of time had to be granted for the receipt of replies, and these started to come in about the middle of August 1957.

4. Wide scope of enquiry; extension of time

The size and scope of the enquiry as it emerged from the voluminous material placed before us by the public, was large and wide, and it soon became apparent that considerably more time than originally scheduled, would be required to ensure a thorough analysis and detailed study of the data; in addition, there was the obvious need for personal discussions on important points with representatives of numerous Chambers and Trade Associations, Port Commissioners as well as of Custom Houses and many other Government departments. At the same time, the Commit-tee's programme had to be designed to fit in with the commitments of members in connection with their own businesss occupations. It, there-re, became necessary for Government to extend the life of the Com-ttee first to the 30th April, 1958 and later to the 31st October, 1958.

faterial obtained from abroad

ubjects of general interest were contained in material on certain s received through the Foreign Missions at New Delhi, and direct trade interests abroad. This was supplemented by discussions which ommittee's Chairman held with the authorities in the U.K., Eire, Germany and Italy in the course of his visit to Europe in connec-th the London session of the Commonwealth Chambers of Com-n the summer of 1957.

ngs and discussions

Committee held 21 official meetings and had several discussions sentatives of different commercial organizations and Gove

2. Trade during the 10th to the 16th centuries

The idea of checks at frontiers is as old as organized administration in every trading country. Many developments have naturally occurred in the course of over a score of centuries, and changes in the nature and scope of these checks and levies, have reflected the condition prevailing and the fiscal policies of the administration. Slow and difficult transport conditions, internal strifes between rival rulers, the absence of large cities on the seaboards, and a number of other factors, retarded foreign trade developments in India between the tenth and the sixteenth centuries though they did not prevent a flow of goods by land routes that passed through bordering countries on her western and northern frontiers.

3. Sea-borne trade since the 16th century

With the advent of the Portuguese, who were followed by the Dutch and the French and, finally, the British, conditions favourable for sea-borne trade developed more rapidly. About the middle of the 18th century, the British assumed the role of the paramount power, and one of their first considerations was to set up centres for trade in readily saleable merchandise. It happened that in those days, India had more to sell to the outside world than to import from other countries, and this is borne out by the fact that, when the East India Company's monopoly of trade ceased in 1834, the annual exports from India were valued at £9,674,000, while imports were estimated at £2,576,000, that is, at about a quarter only, of the value of the exports. In 1881-82, India sold to foreign nations merchandise valued at almost Rs. 82 crores, the import figures standing at approximately Rs. 47 crores; in 1890-91, the export figures stood at over Rs. 100 crores. out of total foreign trade figure of about Rs. 169 crores, excluding Government "treasures and stores".

4. Administration in the 18th century

The first Board of Revenue was created by the British in 1786, with its headquarters at Calcutta, and all revenues, including Customs and Land, were collected through the same agency in those days. This organization was also equipped with "Judge-Collectors" to settle disputes. In 1793, the Board of Revenue, and the Collectors under it, were deprived of their judicial powers, which were then given to independent judges. To make the system of checks on, and collection of, revenue more effective, and keep its working above suspicion, it was provided "that the Collectors of Revenue and their officers shall be amenable to the Courts for acts done in their official capacities, and the Government itself shall submit its right to be tried in these Courts under the existing laws and regulations."

5. Tariffs before 1857

The various duties on sea-borne trade were placed on a legal footing in 1803. Five years later, in 1808, the administrative control over revenue collection was transferred from the Board of Revenue to the Board of Trade, but this step was reversed in 1825. It appears that Customs regulations were introduced and repealed, or revised, rather frequently in those days, probably due to unstable conditions and economic situations.

changing with some rapidity. Duties used to be imposed even on trade, but these were abandoned in 1844, and fifteen years lat 1859, a uniform all-India tariff was brought into force, in replac of separate provincial rates of duties. As a matter of general interes first Indian Budget, in the shape that is now familiar, was presente the year 1860.

6. Developments after 1857

Disturbances in 1857 resulted in losses of normal revenue, and increa es in expenditure, and led to measures to secure more revenue by enhan ing duties by 20%. The law of diminishing returns, however, soon cam into operation, and a 10% reduction in duties was deemed expedient. The position in 1860 was that nearly everything imported into India was assessed at 10% of its value for purposes of Customs duty, while all exports paid a 3% duty. Import duties were, however, reduced to 7½% in 1864, and still further to 5% in 1875. As regards exports, exemptions from duties were made freely, and in 1875, the only commodities that were still paying export duties were rice, indigo and lac. The policy of the then Government was to remove, as far as possible, all restrictions on import, with the exception of a few items like ammunition, liquor, opium and salt. It was later felt that this permanent loss of income from import duties was affecting the Central Budget, and import duties were generally reimposed in 1894 at 5% of the value of the goods, and even extended to some previously exempted articles, like cotton piecegoods.

7. Developments in the early part of the 20th century

A number of other changes, many of a detailed nature, took place in succeeding years, and these included a degree of decentralization, in financial matters, to Provincial Governments, the establishment of State factories for selected commodities, measures for additional revenue procurement to meet the expenses of the First World War, and the entrusting of the management of certain major ports to Port Commissioners, under the general supervision of the Central Government, by statute.

Purpose of historical note

The purpose in prefixing a historical note of this kind to our report two-fold. First, we feel that the information that it contains should be general interest. The second and more important, is that it provides istorical background of experience and action of authorities in India, of the development of trade policies and practices according to the s of the times, through the centuries. We hope that this will be of assistance in understanding the various situations described in our , and in appreciating the need for the reforms we have recommend- point of topical interest, in the context of the present demand for ndent Customs appellate tribunals, is the deliberate policy by Collectors of Revenue were made amenable to courts at the end 18th century.

CHAPTER III

THE COMMITTEE'S APPROACH

1. Many different considerations

A Committee such as ours that is required to suggest reforms for improving and modernizing several activities of the large and long-established Customs organization, into which there has been no comprehensive investigation for many years past, must necessarily view its task from many different angles. For a better understanding of our report, we would like to invite attention here to some of the more important considerations that have influenced our general approach to Customs problems.

2. Time element and other important factors

We regard the time element as unquestionably the most important single factor which demands attention in the solution of the problems arising from Customs procedures. Among the others, the following have received our special consideration:—

(a) The needs of India's rapidly expanding planned economy.

(b) Views expressed to us by the public and the departments of Government engaged in commercial and industrial activities.

(c) The general outlook of the Customs Department towards reforms in the service rendered by it to the public.

(d) Subordination of the traditional revenue functions of the Customs Department to the several responsibilities delegated to it by other departments, for the regulation of the import and export trade.

(e) The difficult conditions and circumstances in which the Customs organization functions, with particular reference to the problems created by the attitude of the many other departments for whom Customs carry out executive functions, or whom they assist by special facilities.

We should like briefly to elaborate some of the foregoing points in the succeeding paragraphs.

3. Importance of time element

The public desire, and we agree, that the highest priority should be given to the time element. Customs formalities should be looked upon, in the case of both travellers and trade goods, as just one stage in a continuous movement. For instance, all travellers and goods must use some kind of transport for moving from the point of embarkation, or loading, to their eventual destinations. Intermediate stops are necessary

for various purposes, such as the fuelling and servicing of the trans and the on-loading and off-loading of certain passengers and gooc pre-arranged points *en-route*. It is realistic to view the period, in p of time, necessitated by Customs formalities, as just one of these inte diate stops. This will provide a sense of proportion, and establish necessity for gearing Customs procedures to the overall speed of journey. Boardly speaking, we consider that ideal conditions will achieved only when no traveller is required to spend more than 10 to minutes in complying with Customs requirements, when travelling air, and perhaps double this period when travelling by sea. In the ca of cargo, the same degree of uniformity at every port and Custom Hou may not be feasible, but our view is that Customs procedures an practices should make it possible for 90 to 95 per cent. of all goods comin to the country to be cleared well within the 'free time' allowed by the port authorities. Otherwise, the whole conception of 'free time' ceases to have any real significance. Similarly, shipment should ordinarily be effected within 24 hours of the presentation of the shipping bill

4. Place of procedures in planned economy

The timely progress of our planned economy, as detailed in the Five Year Plans, requires the imports of a number of items not available in the country, but essential for the more important, or "hard core", projects. In practice, no import is approved, either by the Trade Control Organization of the Commerce & Industry Ministry, or the Exchange Control Section of the Department of Economic Affairs of the Finance Ministry, until such essentiality is fully established. It seems contradictory, therefore, that imports, accepted as essential by the highest authorities in the country, should be avoidably delayed at Customs stations on grounds that must be looked upon as trivial by comparison, as for example, for reasons associated with documentation, procedures, slight variations in interpretation of descriptions, departmental uncertainties regarding values or the rates of duty to be applied. We have been influenced by the view that procedures, which interfere with the tempo of economic advancement, or increase its cost, should be immediately remodelled, or abolished, and we feel that any other view would be anti-national.

5 Administrative burdens of the Customs department

We have necessarily criticized various aspects of the Customs organization; but, in fairness to the many hundreds of hard-working officials of various levels who make up this Department, we must point out that in some respects, the Department must find itself in very difficult situations. On the one hand, there are the decades of instructions, circulars, amendments and elaborations, which it is seldom possible for the average fully occupied Examiner/Preventive Officer/Appraiser or Assistant Collector either to assimilate fully, or to follow meticulously, when, at all levels, ie discretion permitted to the man "on the spot" is most limited. In is context, reference must be made to the fact that the many executive nctions discharged by Customs for other Departments of Government tually take up more time than purely Customs work. While the ections and circulars in these cases are just as numerous, little discretion ested in the Customs staff. On the other hand, there is the increasing ume of public criticism, which has, in recent years been reinfo by umber of Government departments who now operat d

industrial enterprises, and feel the burden of the Customs procedures to much the same extent as it has always been felt by the private sector.

6. Improvement in service and cost of administration

The administrative convenience and economy to Government as a whole, of the present arrangements by which the Custom House spends more than half of its time on work done for other departments, is not disputed, but there is a lack of corresponding consideration shown both for the Customs Department, and the general public, by not providing the corresponding and necessary additional facilities, in the shape of an increased strength of experienced and suitably trained staff, and of more and better accommodation and reasonable amenities. This position has been ascribed to the insistence still being placed on collecting the greatest possible amount of revenue through Customs by spending as little as possible. We do not think it would be in the interest of Government revenue itself that a department which contributes nearly Rs. 200 crores annually to the exchequer should spend as little as 1.5 per cent. of this *amount on its equipment and services. We have, therefore, not hesitated,* on grounds of economy, to make the recommendations that we feel justified, to improve the service rendered by the department.

7. Contrasting attitudes

In endeavouring to reach balanced and practical conclusions, it seems appropriate that we should indicate some of the extreme attitudes that have been presented to us in the course of our enquiry. There is, first, the view expressed by certain sections of the public that most delays are deliberate and can be avoided only by the payment of "speed money". Also, certain departments of Government are not satisfied even with the exceptional facility they have already been accorded enabling clearance of their goods without the initial production of documents, while they themselves pay little attention to the need for producing full and correct documents, within a reasonable period. On the other hand, there is the conservative and cautious view of some departmental officers who feel that procedures and practices which have stood the test of time should not be disturbed except by marginal adjustments, even though these procedures and practices bear hard on the vast majority of honest importers and exporters, and impede the even flow of imports, exports, passengers and tourists. We have not conceded any weight to extreme views of this kind in our approach.

8. Approach in certain other matters

Brief indications of our approach towards certain other matters which affect various aspects of Customs working may also be helpful at this stage. We have looked upon Government's commercial and industrial activities, including public utilities, through the same glasses as similar activities in the non-Government sector, and we justify this view on the ground that a mixed economy, and the policy of co-existence of the public with the private sector, has been officially approved. We also think that the present variety and range of import duties is too wide, and that there are many advantages in minimizing these variations. As far as export duties are concerned, we support the Export Promotion Committee's view that, where export duties cannot be completely abolished, their load should be kept fairly stable over given periods of time.

9. Effect of temporary fall in imports

Our enquiry synchronized with a period during which there was a heavy fall in imports, and a corresponding reduction in the burden of work in the Custom Houses. Some of the facts, delays and difficulties to which we have referred may, therefore, seem out-dated, and the conclusions which we have reached, and the recommendations we have made, on the basis of these data, may be regarded as unrealistic. We would, however, observe that a study of the nature we have undertaken must necessarily take into account the operation of the Customs department, not at a time of a temporary easement, but under the conditions and circumstances which have prevailed over a period of years in normal times. It must also be strongly influenced by the needs of a fast developing economy as envisaged and forecast in the Five Year Plan projects. If our proposals are tested by these criteria, we feel confident that they will be found to have been fully justified

10. References to matters of policy

We realize that we lay ourselves open to criticism in expressing views on matters of policy, which are not included in our terms of reference. But it is not practicable to isolate policy from procedures and practices. Rules and regulations are intended to give effect to policies, and practices are physical interpretations of such rules and regulations. No Committee like ours can, therefore, analyse, understand and carry out its task satisfactorily, without studying and assimilating basic policies and reaching some conclusions on them These conclusions must necessarily be reflected in our approach to the various matters on which we are required to make recommendations.

CHAPTER IV

Tariff Structure

1. Tariff classification: cause of delays

The Committee find, on a large volume of evidence placed before them, that a major cause of disputes and delays in the clearance of imported goods centres around their classification in terms of the Customs Tariff.

2. Complexity of tariff

The complexity of the Customs Tariff will be evident from the fact that the whole range of goods constituting the country's foreign trade are grouped under 576 tariff items only as compared with 4850 classification heads in the "Statistical Indian Trade Classification" which has recently been adopted for purposes of recording the country's trade statistics. Whilst the range and variety of imported goods have been continuously expanding in the postwar period there has been little or no corresponding revision or elaboration of the customs tariff schedule. It is inevitable, therefore, that except in the case of those tariff items that are specific in themselves, importers have no ready means of determining the appropriate tariff classification, and the rate of duty applicable to a particular class of goods. Again, the very clearance of goods by customs is dependent on the acceptance of an import licence in terms of the tariff classification and the correlation of that classification with the Import Trade Control schedule, as determined by the appraiser.

3. Difficulty in utilization of licences

Apart from creating delays in the clearance of goods, and a consequent congestion at the docks, the unsatisfactory situation described above places importers in a difficult position in the matter of utilization of licences and in the execution of sales contracts on a forward delivery basis, because in both cases, the duty element is an important and relevant factor. The Committee feels that these difficulties confronting the trade are avoidable and their continuation is not warranted.

4. Complexities created by foot-notes

To consider first the present structure of the Customs Tariff schedule, we find that much of the expansion or elucidation of classifications as have been made since its basic 87 items were originally framed, take the form of sub-items and foot-notes to the main schedule, which in some cases are more than one. The Committee see no reason why such of these additions and amplifications by means of foot-notes as are of a reasonably permanent character should not be incorporated to form an integral part of the main schedule. Whilst we do not consider that this would by itself solve the difficulties of the trade, it would constitute a welcome first practical step in that direction.

5 Too many rates of duty

We should similarly point out the existence in the Indian Customs Tariff of too wide a range of *ad valorem* rates of duty which must inevitably add to the difficulties in the day to day application of the tariff, particularly when tariff descriptions carrying different rates could apply to the same article. Almost all multiples of 5 up to 100 are to be found in these rates. We appreciate that a Customs tariff should normally make a distinction between various categories of goods, as for example, (1) essential and non-essential consumer articles, (2) raw materials for essential and non-essential industries, (3) protected and non-protected items, but the reason for prescribing different *ad valorem* rates of duty for articles falling within the same category is not clear. Instances of this kind are :—

		percent.
(i)	Provisions not otherwise specified	50
	All sorts of food not otherwise specified	35
	All sorts of drink not otherwise specified	50
(ii)	Earthenware all sorts not otherwise specified	75
	Glassware not otherwise specified	70
(iii)	Slates all sorts	50
	Slate pencils	35
(iv)	Perfumery not otherwise specified	75
	Smokers' requisites	80
(v)	Photographic appliances	50
	Appliances not otherwise specified	40

think that obvious anomalies and inconsistencies of this kind could be removed immediately from the tariff without waiting for the when an overall rationalization will be undertaken

ision of tariff; international developments

full revision of the Customs Tariff schedule, when undertaken, follow the developments which have taken place in international in this matter. We note that the existing tariff structure in its broad aspects, the League of Nations Draft Customs lature, but in the immediate period after World War II, many ernational classifications have been evolved. There is "The Tariff Nomenclature" prepared by the European Customs udy Group in 1955, which claims to have taken into account non features of the tariff nomenclatures of the seventeen countries constituting the Group and also the latest techno- d commercial developments. Next, there is "The Standard al Trade Classification" prepared by the United Nations on for compilation of national trade statistics on . . . form This pattern has already been adopted . . . the Indian Trade Classification", to which . Though we appreciate that a tra . . .

purely for statistical purposes does not necessarily form an adequate basis for a customs tariff, the "Brussels Tariff Nomenclature" is indicative of the progressive thinking which is being done on this subject, and the Committee are of the view that it would be consistent, and in the interest of planned developments in India, that a thorough revision of the Customs Tariff should be undertaken without further delay.

7. Co-ordination with import licensing schedule

The Committee consider that a revision of the present structure of the Customs Tariff should be closely linked with the pattern of current imports as reflected in the Import Trade Control licensing schedule. In making this suggestion, we envisage that Import Trade Control, which was first introduced in 1940 as a purely temporary war measure because of shortages in shipping and supplies, and which, since the war, has been used from time to time as an instrument against inflation or for protection of indigenous industries, or for purposes of conservation of foreign exchange, has now come to stay for a long time as a device for planning and regulating the country's trade and industry according to varying economic requirements. It should, therefore, be possible to redraft and maintain the existing Customs Tariff, as closely as possible, on the lines of the Import Trade Control Licensing Schedule which is being continuously and progressively revised. We appreciate, of course, that this would be subject to the exigencies of current tariff policy, as for instance, to make room for items in respect of which there is a treaty binding under the international General Agreement regarding Trade and Tariffs. It would not be justifiable to shrink from the task of a reconstruction of the tariff on these lines on the plea that it would involve too much itemization. We would point out in this connection that the Customs authorities are now classifying imports in terms of the "Standard Indian Trade Classification" for purposes of the returns furnished to the Director General of Commercial Intelligence and Statistics. There is, therefore, no reason why the Customs Tariff cannot be closely aligned with the basic structure of the Import Trade Control Licensing Schedule, which is a far less detailed schedule than the "Standard Indian Trade Classification".

8. Difficulties created by room for wide discretion

From the evidence examined, the Committee feel sure that this matter has not yet received from the Ministries of Finance and of Commerce and Industry the consideration and attention which it deserves. The result is that the Tariff as well as the Import Trade Control Schedule continue to leave the widest latitude to the customs authorities in exercising their discretion. We consider that this latitude is the basic cause of many major problems in the matter of duty and clearance, and the way it has operated provides the chief reason for an early and exhaustive revision of the Customs Tariff. Without it, clearance processes cannot be expected to show any marked improvement, and allegations of deliberate delaying tactics and corruption, which are now being made, will continue. We, therefore, look upon this recommendation as a basic and essential reform and would like to stress that every trader, association or gathering of experienced customs officials with whom we have discussed this subject also support it strongly.

9. Need for tariff rulings

The Committee recognize that even with the most carefully defined tariff structure, there will always be some residuary or generally phrased classification heads since it is impossible to include every article entering the foreign trade as a specific item within the tariff. Nor can all ambiguities caused by overlapping definitions be completely eliminated. It is in respect of the categories of goods affected by such heads or definitions that the need arises for up-to-date rulings on tariff classifications. This particularly applies to the present tariff because no serious or sustained attempt appears to have been made in the post-war years to co-ordinate the new items which have been introduced from time to time into the tariff during these years, with the existing items.

10. "Indian Customs Tariff Guide"

This purpose is sought to be secured by the "Indian Customs Tariff Guide", a publication of 189 pages containing rulings given by Government or the Central Board of Revenue on matters of classification. The inadequacy of this publication as a supplement to the Customs Tariff Schedule (576 items) in relation to the varied character of the country's foreign trade, may be gauged when compared with the fact that the European Customs Union Study Group, which formulated the "Brussels Tariff Nomenclature" embracing 1100 items, found it necessary to prepare three large volumes, comprising 1100 pages, by way of "Explanatory Notes" to the main publication. Another unsatisfactory feature is that during the last twenty-seven years, the "Indian Customs Tariff Guide" has been revised only five times. Such long intervals in publishing revised editions leave the trade with no ready means to keep abreast with up-to-date tariff classifications. The position is further aggravated by contradictory rulings by Custom Houses at the different ports, which take considerable time to be finally settled through rulings given by the Central Board of Revenue. We urge that all possible steps should be taken to increase the usefulness of the Tariff Guide by the maximum amplifications and regular revisions at intervals of not more than six months.

1. Need for enlargement of Guide

Even with such amplifications and revisions the Tariff Guide will ot resolve all the difficulties now experienced by the public in the atter of tariff classifications. There would, for instance, be cases of porters having to submit to certain tariff classifications assigned to ir goods by assessing officers, because importers do not have the owledge or the patience to enter into the merits of such classifications. other very important consideration here is that an intending importer ld, as far as possible, be put in a position to find out, at any time, eferring to a comprehensive and up-to-date index, precisely what is e his liability on account of duty. Neither a Clearing Agent nor an mation Officer can perform this function satisfactorily under the ng conditions. For these reasons, we consider that, if the "Indian ms Tariff Guide" is to be of real use, it must be greatly expanded. ink the need for this is likely to be felt even after a new tarif rationalized, has been brought out.

ptt. of Rev.

12. "Alphabetical Index"; a useful basis for a tariff Guide

We consider a very useful *means of providing the public with* a detailed guide to tariff classifications would be *to show the appro*p classification against each item of the "Alphabetical Index to the I Trade Classification", which is maintained by the Departmen Commercial Intelligence & Statistics. This Index attempts to lis name of all conceivable commodities which enter the country's fo trade. A correlation in the manner suggested would prove of imm practical value to the public.

13. Conversion of Index into tariff guide feasible

This *suggestion, at first sight, may appear to set a stupendous* because the Index *comprises as many as 40,000 items.* However, much as the vast majority of the items have been quite specifi described in the Index, the classification of such items would not pre any serious technical difficulties. We consider it should be pos for the Central Board of Revenue to produce an edition of the I correlated to the tariff, within a reasonable time by the full-time emp ment of a small team of selected experts from the Principal Apprai and Asst. Collectors' cadres, working under appropriate supervi and guidance.

14. Treatment of items which are not specific

We are aware that there are items, though small in number, in Index which are not *specific* enough to be assigned a single tariff cl fication, and it may not be *possible to specify all the possible alterna* in the Index. *To items such as these,* a *note could* be apper explaining that the classifications may not be comprehensive, and have to be determined with reference to the actual nature of article.

15. Possible objections

A possible objection to the scheme we have proposed might be if assessing officers should, after actual examination, decide on cl fications different from those indicated in the Index, there would complaints against the administration. Such an objection would wholly misconceived because assessing officers are even now bound the rulings of the Central Board of Revenue published in the "Ind Customs Tariff Guide" and our scheme in fact envisages no more th an expansion of the Guide so as to comprise the largest possible num of articles, and the publication of the expanded edition also under authority of the Central Board of Revenue. At the stage of assessment, therefore, the adoption of a different classification from t indicated in the Index against a specifically described article, should quite impossible; for day to day administration, both the assessing off and the importer would be bound at that stage, by these classificati barring of course, obvious errors, as for example, printing mistakes. fact, this feature of the scheme provides its principal merit, nam certainty of tariff classification. If the importer or the department f that the article has been misclassified in the Index, the matter can o be taken up *after* completion of the assessment, and *not* before, by appeal or such other reference to the Central Board of Revenue,

16. Items not included in Index

We recognize that there may be some items in the existing tariff rulings, or in our import trade, which do not fall specifically under one or another of the items now included in the Index. A supplement should, therefore, be issued to the Index from time to time indicating the tariff classifications of such items, and including also explanatory notes of the kind which appear in Chapter III of the existing Tariff Guide.

17. Advantages of scheme

In recommending this correlation between the Index and the Tariff, we are supported by the existence of a similar correlation between the United Nations Standard International Trade Classification and the League of Nations Draft Customs Nomenclature as well as the Brussels Customs Nomenclature. The extent of correlation may not be as wide as what we propose, but we are convinced the scheme we have suggested would repay the effort involved. It would enable Government to meet substantially the legitimate demand of the public for narrowing down the area of dispute in the matter of tariff classifications which now exists. On the other hand, it would bring considerable relief to the Department and to the Central Board of Revenue by eliminating the need for investigations which have now to be constantly undertaken in order to resolve the doubts and difficulties inevitable in the existing tariff which contains a number of overlapping definitions with varying rates of duty.

18. Constant review necessary

The Index devised as suggested will undoubtedly have to be kept under constant review if it is to be of the maximum possible benefit. The organization of the Directorate of Inspection, Customs and Central Excises, would have to undertake this task and would have to be adequately equipped for it so as to be able to issue correction lists and fresh supplements regularly at intervals of three months for correction ists and one year for supplementary editions. Also, whenever the Director General of Commercial Intelligence and Statistics brings out a resh edition of the Alphabetical Index itself, the Central Board of evenue should ensure that the tariff classifications indicated in the dex are up-to-date.

Advance recommendation regarding expansion of tariff guide

We considered the need for the comprehensive tariff classification le suggested above to be of sufficient importance and urgency to make advance recommendation to Government, a copy of which will be d in Part III of this report.

ross-references to tariff needed in import licensing schedule

system similar to that suggested above should also be adopted to eference the Customs Tariff with the Import Trade Control ng schedule. We admit to considerable surprise that this has eady been done, as it appears to us to be an obvious and neces- st step to the proper exercise of licensing control connected quotas.

21. Objections to correlation of tariff with licensing schedule

We observe in this connection that the statutory Import Trade Control Schedule is in fact correlated with the Customs Tariff and that a similar correlation appeared in the licensing schedule until the issue of the "Red Book" for the licensing period January—June 1952 when the reference to be corresponding tariff items was first discontinued. We understand that the reason given for this change was administrative convenience. Such correlation was alleged to affect the proper classification of goods at the time of actual importation to the detriment of revenue and Trade Control policy, and this view was based on the argument that the agency (Customs) which physically examined the goods was in the best position to determine their nature and proper classification under the tariff and in relation to Import Trade Control. Whilst this may have had some force at the time when Trade Controls were first introduced, we can see little reason for accepting such an argument now that Trade Controls have been in force for 18 years, and the Customs as well as the Import Trade Control authorities have had ample experience and the accumulative benefits of case-law to adopt definite classifications of imported goods over a wide range. In urging a closer link between the Customs Tariff and the licensing schedule, we expect a substantial improvement in removing many of the present difficulties in securing clearance of goods in terms of the import trade control regulations, but without affecting the right of the Customs authorities to determine the appropriate tariff classification for purposes of duty assessment. We, however, hope that cases of divergence in classification for Import Trade Control and for Customs duty purposes will also be considerably reduced by adopting our proposals in this chapter.

22. Summary of recommendations

To sum up, we strongly recommend a radical and substantial revision of the Customs Tariff Schedule and of the Customs Tariff Guide and a correlation of the tariff schedule with the Alphabetical Index to the Indian Trade Classification and the Import Trade Control Licensing Schedule.

23. Application of recommendations to exports

We would like to add that though our observations are based mainly on the position of imported goods, similar considerations will apply with equal force in the case of exports.

CHAPTER V

IMPLEMENTATION OF IMPORT TRADE CONTROL

1. Agency functions of the Customs Department

The normal function of the Customs Department is the collection of revenue through duties but, as a matter of overall administrative convenience, the department has been entrusted with the enforcement of a multiplicity of other Government regulations affecting foreign trade, as for example, those relating to import/export control, arms and ammunition, plants, drugs, and printed matter We believe, however, that it was not originally contemplated that these "agency' functions would absorb most of the time and energies of the department But this is actually the position now as an examination of the nature and volume of Customs work will clearly show (Please see Part III for statement of work) Ordinarily, the enforcement of these non-Customs regulations should have been the direct responsibility of the Ministry or Department of the Government of India concerned, with all the attendant public odium and criticism, the brunt of which has now to be borne by the Customs Department.

2. Enforcement of trade controls, an onerous responsibility

The most onerous of these delegated executive responsibilities is the enforcement of the Import/Export Trade Control Regulations in terms of Import/Export Licences issued by the organization of the Chief Controller of Imports and Exports There is no doubt that the major part of the total time and work of the Appraising Department is devoted to this particular function.

3. Absence of policy background, a handicap

In the matter of enforcement of Trade Control Regulations, the Customs authorities are placed at an initial disadvantage by the fact that they are not associated with the framing of Import/Export policies and they have, therefore, no means of interpreting them other than in the terms laid down in the Import/Export licences issued. Instances have occurred where licensing objectives are obscure in the conditions laid down or certain features cannot be given a practical application. The position of the Customs authority is further complicated by the statutory direction in the Import Trade Control Order stating that entries in the Schedule of articles appended to that Order have the "same meaning" as in the Customs Tariff. The Customs Officer is thereby obliged to fix the tariff classification of an article first, and if that does not accord with the description shown on the import licence, he is left with no option but to reject the import licence and refuse clearance.

4. Transfer of enforcement work to Trade Control Authorities

It did not, therefore, surprise us to note that both the Central Board of Revenue and the Collectors of Customs generally favoured the view

that the Import/Export Trade Control authorities should assume direct responsibility for the enforcement of Import/Export Trade Control regulations framed by themselves. Public opinion is divided on this issue, but the Ministry of Commerce and Industry are definitely opposed to it. They consider that bifurcation of the twin processes of scrutiny for purposes of assessment to Customs duty and for verification and interpretation of licences, respectively, would mean the establishment of parallel organizations, thereby increasing the cost of administration as well as the time required for clearance of goods.

5. Posting of a Trade Control officer in Custom House

On balance, we favour a convenient form of continuous contact between the Customs and Trade Control authorities at major ports without a formal bifurcation of the functions aforementioned. This could be provided by locating within, or along side, the Custom House an officer, preferably of the rank of Deputy Chief Controller of Imports from the office of the local Joint Chief Controller of Imports, who should be made responsible to maintain continus liaison with the Collectorate, and assist in the settlement and expeditious disposal of cases under objection. His services should also be available to the trading public. We appreciate that this officer may not be competent to offer final advice in all cases on behalf of his department, but nevertheless, it would save the time and trouble of all concerned, if he became the normal channel of communication between his department and the Customs on one side and the importer and the Joint Chief Controller of Imports on the other.

6. Examination by the Taxation Enquiry Commission

As a solution to the difficulties experienced by Customs in interpreting trade policies, correlation between the Import/Export Trade Control Schedules and the Indian Customs Tariff Schedule has been considered in the past and the proposal also received the attention of the Taxation Enquiry Commission in 1953. That Commission was given to understand that the setting up of Customs Advisory Committees at the ports on which the organization of the Chief Controller of Imports and Exports is represented had removed the inconvenience caused by difficulties regarding classification, and the Commission, therefore, came to the conclusion that it was not necessary to undertake the suggested correlation which would inevitably cause some dislocation during the transitional period. Subsequent experience, however, goes to show that serious difficulties still persist. We have dealt with these in more detail in the Chapter on the "Tariff structure" and we have given there the reasons why correlation between the Tariff and the Trade Control Schedules is both necessary and urgent, and have also shown that it is a practical proposition.

7. Instructions based on joint consultation between Central Board of Revenue and Ministry of Commerce & Industry

We note that the importance of the problems created by lack of this correlation has been recognised by the Central Board of Revenue and the Ministry of Commerce and Industry and, as a result of their joint consideration, the following working instructions were agreed upon:—

(1) The description of the goods given on impjort licences should be as full and as specific as possible so that the scope for dispute is reduced to the minimum.

...s answering the literal description on licences, or as appearing in the Open General Licence, should be released irrespective of the view held by the Customs authorities in regard to a possible alternative classification to that given on the licence

(3) In cases of doubt, goods should be allowed clearance after obtaining from the importer a bond in confirmation of his consent to abide by the decision eventually reached

(4) Weekly meetings should be held between the Customs and Import/Export Trade Control authorities to decide doubtful cases In the event of no agreement, the case should be referred to a central co-ordination committee of representatives of the organization of the Chief Controller of Imports and Exports and the Central Board of Revenue, assisted by technical advisers, where necessary

re informed that instructions at (1) and (4) are working satis-
and that they have helped in the expeditious disposal of doubt-
As regards the facilities at (2) and (3), they were subsequently
beyance but it is stated that these are now being extended.

ice of problems; advance recommendation

presentations we have received do not bear out the fact that
ing instructions have in fact proved beneficial We believe
nt of these problems which may have occurred is probably
heavy reduction in imports, following the severe restrictions
ce the beginning of 1957. At the joint weekly meetings, we
y few cases actually come up for consideration. This we find
the absence of disputed cases but to the fact that appraisers
dle themselves cases of a kind on which the advice of the
rol authorities should normally have been sought in the
We considered this particular matter, of sufficient urgency
ce to justify an advance recommendation to Government
n Part III) suggesting that the joint meetings should be
intervals.

consultation between Customs and Trade Control autho-

ce given further consideration to the joint consultation
re detail, and we have also had the benefit of the advice
troller of Imports and Exports. We consider the exist-
should be improved as early as possible along the follow-

e essential purpose of joint meetings is the avoidance
rdship to importers, these meetings should be conven-
necessary, when a disputed case arises, and not, as at
t, only after a number of such cases have occurred.

ter should have the right, by an endorsement on the
Entry, to demand that his case be referred to a joint
and he should be given an opportunity to be heard
n at the meeting, if he so desires

(iii) An importer should also have the right to directly approach the Import Trade Control authorities and if these authorities so consider fit, they should themselves initiate a joint meeting with the Customs authorities to settle the dispute.

(iv) The Customs authorities should refer each day any disputed cases, in writing, to the local Joint Chief Controller of Imports, who should convey his advice to the Customs authorities by the following day.

(v) Joint meetings may not be necessary to reach a decision in all cases, but there should be a fixed venue and fixed hours for these meetings whenever they are held.

10 Considerable improvement expected by adoption of suggested procedure

We are aware that under the present law, the ultimate responsibility for the acceptance or rejection of an import licence rests with the Customs authorities. We have, however, no doubt that if the convention for joint consultation between them and the Import/Export Trade Control authorities is improved on the lines we have suggested, substantial agreement will be reached in most cases, bringing relief both to the trade and the Customs and Trade Control departments.

11. Certain suggestions to overcome problems of interpretation, not feasible

It has been suggested that some of the present difficulties of interpretation of licences would be removed if:—

(i) licences are issued separately and specifically for each indent placed abroad; or

(ii) an itemised list of articles to be imported is appended to licences which carry a description of the goods in terms of a generic head, as for example, "Hardware".

Our enquiries show that suggestion at (i) is not favoured by either the public or the Ministry of Commerce and Industry, on the ground that it would multiply work both for the importer and the Import Control Department. In regard to suggestion (ii), we are told that it would not be feasible to itemise the individual items in all cases since these cannot always be foreseen, as for example, in the case of machinery spare parts; it has also been reported that itemization would tend to restrict the utilization of licences in terms of current needs.

12. Recommendations regarding problems of interpretation

We accept the force of these arguments, and apart from the closest correlation between the Tariff and the Import Trade Control Schedules which we have recommended elsewhere, we suggested the adoption of the following working principles to the Chief Controller of Imports and Exports:—

(i) Description on a licence should be as specific as possible.

(ii) Where a general head has to be used as the description, specific particulars of the major items intended to be imported should be noted on the reverse of the licence.

(iii) If the list of items shown on the reverse of a licence is not exhaustive, a residuary item should be included to cover such other articles as may fall under the description specified on the licence.

(iv) Quantities and values need not ordinarily be shown against individual items listed on the reverse of a licence unless this is necessary for purposes of import control.

(v) We understand that Import Trade Control authorities do allow amendment of licences, on request, when an importer finds that a particular item which he intends to import, has not been specifically mentioned on the licence or in the relevant appendix of the "Red Book". More publicity should be given to the availability of this facility.

We do not envisage any difficulty in the department of the Chief Controller of Imports and Exports to provide the maximum itemisation of individual articles on a licence, should an importer so wish, as they have available to them the expert advice of technical officers in the Development Wing of the Ministry of Commerce and Industry. This responsibility rests with the organization of the Chief Controller of Imports and Exports and is one which should be discharged by them so that problems do not arise when goods are under clearance.

13. Debits to import licences

A further point has been raised in regard to the utilization of import licences. Importers have represented that in cases where the Customs authorities do not accept the invoice value and enhance these values for purposes of assessment of Customs duty, only the invoice value should be debited to the import licence, and not the enhanced value fixed by the Customs.

14. Types of cases in which enhanced values are debited to licences

The occasions when the Customs authorities generally find it necessary to adopt enhanced values for duty purposes are when

(a) the invoice value though accepted as the full price paid for the goods is found to be less than the assessable value in terms of section 30 (b) of the Sea Customs Act;

(b) deductions from the invoice value, on account of agency commission or of discounts considered inadmissible under that section, are disallowed,

(c) the importer is a subsidiary/licensee of the foreign manufacturer/ supplier and it is held that the invoice value represents only a part of the price to be paid for the goods, the balance forming part of subsequent remittances made on other accounts,

(d) the goods are held to have been deliberately undervalued on the invoice in order to pay less duty or obtain a larger quantity of goods.

CHAPTER VI

Valuation for Assessment to Import Duties

1. Definition

Section 30 of the Sea Customs Act, which defines value for purposes of Customs duty assessment has evoked considerable criticism for many years past. This definition reads as follows:—

"(a) the wholesale cash price, less trade discount, for which goods of the like kind and quality are sold, or are capable of being sold, at the time and place of importation or exportation, as the case may be, without any abatement or deduction whatever, except (in the case of goods imported) of the amount of the duties payable on the importation thereof; or

(b) where such price is not ascertainable, the cost at which goods of the like kind and quality could be delivered at such place, without any abatement or deduction except as aforesaid."

The definition has remained unchanged since the Act was passed in 1878, that is, ninety years ago.

2. Assessment on invoice value, the rule

It has been represented that the value shown on the foreign supplier's invoice should always be accepted as the assessable value, and as a result of our investigation, we find this is in fact normally the case. It is in respect of a comparatively small proportion of cases that the Customs adopt a different basis for valuation but nevertheless, these are sufficient in number, and importance to call for comment.

3. Taxation Enquiry Commission's views

We have given careful consideration to the relevant observations made on this subject by the Taxation Enquiry Commission, who submitted their report in 1953, and we find that in supporting the method of valuation laid down in section 30 (a), they did not specifically consider the effect of Import and Export trade controls on the concept of wholesale price set out in that section, which was framed at a time when free trading conditions were prevalent. At the time they examined this question, the full impact of trade controls on wholesale prices had not been felt because of a liberal import licensing policy.

4. Wholesale prices under a system of trade control

In our view, there is considerable force in the argument placed before us that under a system of strict trade controls and of import restrictions in particular, the existence of a well-defined "wholesale price" is unreal. This test would be valid only when a substantial and continuous market exists at all import points. Under Import Trade Control, a regulatory technique which, as we have observed elsewhere in this report, is likely to remain in existence indefinitely, any wholesale price to-day would

necessarily be of the nature of "scarcity" or "speculative" price If in the case of a particular commodity it is claimed that a wholesale market does exist, we think it would be preferable to fix a tariff value for that commodity. Otherwise, variation in the "wholesale price" at different ports would prove unfair to the importer at the port where the price is less favourable, and an inevitable consequence would be a diversion of trade to ports having a more favourable wholesale price at the time

5 Present scope for assessment on wholesale prices

We understand that Government have already recognized this position and have now restricted assessments on the basis of Indian wholesale prices to a very few articles for which all-India list prices exist It is significant that, under this new policy, the application of this criterion has been possible mainly in the case of patent foods and medicines The sequence of the principles laid down in Section 30 of the Sea Customs Act has thus become entirely unrealistic in that assessments based on the wholesale price have become very much the exception though the section expressly intended them to be the rule

6. Assessment of post-importation Charges and profits

Even under conditions of free trade, there is an element of unfairness in adopting the "wholesale price" (less discount and the duty element) for purposes of fixing the assessable value, for it means that customs duty is assessed on a figure which includes post-importation charge as well as profit margins. This method of valuation will always increase the price to the consumer and, in respect of the profit margin, it imposes a dual penalty, since it fails to allow for distribution and other business expenses being met from these profit margins. It also ignores the fact that the net profits earned are subject to Income-tax In this respect, there has been, since Income-tax was imposed in this country, a glaring anomaly between the provisions of clause (a) and those of clause (b) of section 30.

7. Influence on revenue, of assessment on wholesale prices

The Taxation Enquiry Commission did examine these aspects but, in recommending the maintenance of the *status quo* one of the considerations which influenced them was that a loss of revenue would result from discontinuance of assessment on the basis of wholesale prices. This consideration has now ceased to be relevant because the scope for this form of assessment has, as we have pointed out, now been considerably reduced. In fact, the additional revenue derived from assessments on so-called market values has not been significant at any time since the first world war

8 Assessment on wholesale prices no longer justified

In our view, therefore, there is no justification now left for the continued existence of the scheme of valuation laid down in Section 30 of the Sea Customs Act. The invoice value should be made the sole basis of *ad valorem* assessments to Customs duty, provided only that this value is, in fact, the cost of delivery from an independent seller abroad to an independent buyer in India at the time of importation Such cost would normally be represented by the foreign exchange to mit n

payment for goods imported. This aspect is controlled under regulai issued by the Reserve Bank of India in terms of invoice values (or value assessed by Customs, should they differ) and the relative di subject to the ceiling fixed for value in the exchange control copy of import licence. We would add that the criterion we have advocated f for ad valorem assessments to import duties is also the accepted basi most advanced countries of the world, and is fully in accordance w the principles laid down in international conventions.

9. Practice followed in invoice value assessments

We shall now deal with the procedures followed in making asse ments on invoice values. These are made under clause (b) of secti 30 of the Sea Customs Act, and we find that the interpretation put up this provision is such that a virtual penalty on competitive buying abroa to the detriment of the country's interests, is imposed in an appre able number of cases. In these instances, assessment on prices paid in t ordinary course of business under genuine open market conditions refused by Customs on the ground that higher prices have been paid others. We believe that this practice does not even have the approv of Government, who have ruled that the only test of an acceptable pr should be that it represents a cash deal between a buyer and seller w are independent of each other. If clause (b) of section 30 is still held Customs to be capable of a different construction, we suggest that it suitably amended as soon as possible.

10. Exceptional cases

We recognize that there will always be some cases in which invoi values do not represent the correct cost of delivery, as for example, whe supplies of goods are made, under specially favourable arrangements, l foreign principals to their branches or subsidiaries in India, and the san goods are not imported by other parties. We agree with the Taxatic Enquiry Commission that these cases can be legitimately dealt wit under the method of "deduced" value. The Commission also recon mended that detailed instructions should be framed by the Central Boar of Revenue for the proper and uniform application of this method i all the Custom Houses, and that these should be published for genera information. We suggest that action on these lines should be take without further delay, and that in framing the instructions, the result of international studies carried out on this complicated subject, as fo example, by the European Customs Union Study Group be fully examin ed. To reduce the area of dispute in these particular types of cases we also recommend that the possibilities of fixing tariff values for rav materials and semi-manufactures imported in bulk be considered. Th powers conferred by section 22 of the Sea Customs Act for fixation o tariff values has, by convention, been exercised so far only in cases wher commodities command a fairly stable price throughout the year, but th section is capable of wider application in the manner we have suggestec

11. Extension of tariff values

On the general question of the system of assessment on tariff values we observe that it is intended to enable an importer, at any time, t calculate, precisely, his liability for duty by eliminating all scope fo disputes regarding valuation. It has, therefore, received strong suppor

from the trade, and we suggest that early attention be given to the extension of this method of valuation to as large a range of commodities as possible. A procedure should be devised whereby surveys and reviews are constantly carried out in the Customs Department of the commodities imported, with the object of determining which among them can find a place in the tariff value list. When determining tariff values, however, it is necessary to safeguard the principle that we have advocated earlier in this chapter, namely, that post-importation charges, over-heads, and profit elements should be excluded from assessment to Custom duties.

CHAPTER VII

ASSESSMENT OF MIXED GOODS

1. Statutory provision for assessment of mixed goods

Section 21 of the Sea Customs Act provides for the assessment of mixe goods composed of any article or more than one article liable to dut It lays down that such goods should be charged "with the full duty whic would be payable on them if they were entirely composed of any artic charged with the highest rate of duty". This principle of assessment applied in practice has been severely criticised by the trade.

2. Interpretation and implementation

We are informed that in accordance with the accepted interpretatio of this provision, it is to be applied only to mixed goods constituting composite set, as for example, a dressing set or a writing set. The trac complain that in actual practice, it is invoked even in cases where two c more dissimilar articles which do not make a composite unit are importe together in one package, as a matter of convenience. We are in agreemer with the trade that in such cases, the ordinary use of each of the articl should be taken into consideration, and each should be separately assess to duty at the rate appropriate to it.

3. Effects of indiscriminate application

Even where articles do constitute a composite set, and the applicatio of the section is technically correct, the indiscriminate assessment of th set as a whole at the highest rate of duty applicable to any one of th component items could prove inequitous and result in real hardshi This, for example, would be the case if a bottle in a ladies' dressing se had a gold stopper because of which the entire set was charged at th high duty rate prescribed for gold articles. Similarly, if a cheap cleanin brush assessable at 75 per cent *ad valorem* is packed with a typewrite assessable at 20 per cent, the entire "set" including the typewriter mus under the provisions of section 21, be charged at 75 per cent. If thi absurd result is to be avoided, and the typewriter and the brush are t be charged separately at the rates of duty appropriate to each, the asses ing officer is not competent to make such an assessment without th approval of the Assistant Collector, and this approval can be given onl in direct violation of the law. Similarly, complications occur if a set i composed of articles some of which are chargeable *ad valorem* and other on tariff values or at rates of duty based on quantity. In fact, in a cas of this kind, there is obviously a total breakdown of the provisions o section 21, and the assessing officer is compelled to assess different con ponents of the same set separately at appropriate rates.

4. Remedy suggested

We think the only appropriate remedy for this situation is to appl to each component in a set its own prescribed rate of duty. Since thi

would require itemised invoices, importers should be notified of the change so that they may arrange for separate values being shown on the Invoices, and where these are not shown, the composite value should be split up between the individual components in suitable proportions for assessment. We would also suggest that, as a matter of convenience, separate assessment should be avoided where the value of a single component is more than 75 per cent, in such a case, the entire set should be assessed at the rate appropriate to that component. This percentage, we think, should be high enough to counteract any tendency to import as parts of sets, components chargeable to a higher rate of duty, which would otherwise have been imported separately.

4. PROCESSING OF BILLS OF ENTRY

1. General criticism

General criticism has been expressed about the manner and speed of processing Bills of Entry in the Appraising Department. *Little consideration is given to the value of time, and to the interests of trade and industry including national projects, and as a result, delays occur in the clearance of goods, causing congestion in the docks. There is evidence to show that bills of entry remain unattended for a considerable time at different stages, and that avoidable movements of documents take place from officer to officer and from section to section. No system of priorities is observed irrespective of the nature of goods concerned or other relevant considerations. Documents in addition to those ordinarily required to be produced in support of bill of entry declarations are called for as a matter of routine, and not always at one time. Sufficient care is not taken of documents while they are in the custody of the Appraising Department.*

2. Time limits necessary for action at each stage

We consider it to be of primary importance that the working of the Appraising Department should be so reformed as to ensure that some positive action is taken by an Appraiser on a bill of entry in all circumstances, within two to three hours of its first presentation to him. At each subsequent stage, the bill of entry must similarly receive prompt attention from the Appraiser until action is finally completed. An arrangement such as the numbering system adopted in Bombay, would, if somewhat improved, enable the Principal Appraiser to properly check the time taken at each stage of the scrutiny.

3. More liberal application of "second appraisement" system

Of equal importance in this context is the more liberal application of the "second appraisement" system which is designed to save time by postponing Customs examination to a stage after payment of duty. We note that departmental orders even now require that this system should be applied to all cases where the supporting documents are sufficient and satisfactory to dispense with a prior inspection of the goods, but even in such cases, the Appraisers sometimes insist on prior examination of the goods. This tendency needs to be checked, and we think the best way to do it would be that, in all cases where the Appraiser considers that prior examination should be conducted, he should first obtain the approval of the Principal Appraiser.

4. Initial scrutiny; priorities

Another common cause of delay in the Appraising Department is the failure on the part of Appraisers to sort out, and make an initial scrutiny of, Bills of Entry, with a view to determining which

(i) call for examination of goods before assessment;

(ii) can be assessed under the "second appraisement" system;

(iii) require production of additional documents or information.

If such an analysis of new bills of entry is done by the appraiser at least twice a day, cases falling under (i) and (iii) above would receive prompt attention, while those falling under (ii) would be attended to along with the bills of entry which have been returned from the docks after examination. Within each of the categories mentioned, there is scope for fixing priorities. We have made some detailed suggestions in this regard in Part II of this report.

5. Documents to be initially produced

In order to ensure that the documents normally required by Customs for purposes of scrutiny and assessment of bills of entry are produced, we suggest that Custom Houses should give wide publicity to the fact that the following documents must always be furnished with bills of entry:—

(1) Invoice
(2) Packing List
(3) Bank draft
(4) Insurance memo or policy
(5) A non-negotiable copy of the Bill of Lading
(6) Import Trade Control Licence

Further, we would like to emphasize the need for strictly enforcing the rule already in existence in Custom Houses, that any further documents that may be required by an Appraiser in a case, as for example, descriptive catalogue or technical literature, must be called for at one time, and no econd demand should be permitted without the Principal Appraiser's pproval.

Movement of Bills of Entry from group to group

Except when necessary for serious reasons, bills of entry should not ve from group to group whether for assessment or for scrutiny of nces. In Calcutta, the item which carries the highest value determines group in which the bill of entry should be handled. We consider this tice to be the most satisfactory in this respect and recommend its tion at the other major ports.

ncentration of preclearance processes within the group

nerally speaking, all pre-clearance procedures should, as far as e, be concentrated within the group itself, as for example, action rd to the issue of "less charge" demands, show cause memoranda, tion of analytical tests, noting down of statistical data, execution s and guarantees. If the clerical staff employed in the group is ate for this purpose, it should be suitably augmented. We agree practical reasons, the registration and audit of licences which, se, takes place after the bill of entry has been finally passed by inizing appraisers, should continue to be done in a central

g temporary pressure

lerstand that a temporary excess load of work within a group stributed among the appraisers in the group by the Pr al It often happens, however, in a Custom H th. e

17. Delegation of more powers to Principal Appraisers

A defect which seriously delays appraisement processes is the inadequate delegation of powers to Principal Appraisers. For example, several routine decisions such as those directing acceptance of bonds or provisional duties; issue of show cause memoranda; condonation of certain minor irregularities are at present only within the competence of Assistant Collectors. These could, without any serious risks to the revenue or trade controls, be delegated to Principal Appraisers, who are gazetted officers with many years of experience in appraising processes.

18. Supervision by the Assistant Collectors

The Committee feel that supervision over the several pre-clearance processes conducted in the Appraising Department should be far more intensive and constant than at present. In this connection, it has been represented that Assistant Collectors are seldom seen in appraising sections, and that in the absence of such supervision and control, the sections do not operate as efficiently as they should.

19. Processing now subject to filing of manifest

Consignees of goods shipped by a vessel are ordinarily in possession of the necessary documents for clearance through Customs some time before the steamer agents lodge the import general manifest of the vessel with Customs. The present procedures, however, do not permit clearance processes to commence unless the manifest is so lodged. Consignees are thus precluded from availing themselves of the intervening time, to process their bills of entry through the Appraising Department. The loss of time thus caused could seriously delay clearance where manifests are not lodged by the steamer agents sufficiently in advance of the arrival of the vessel.

20. Processing before filing of manifest possible

The purpose of the manifest is mainly to ensure that all the cargo brought by a vessel for a particular port is fully accounted for by tally with bills of entry for individual consignments. This tally is made by requiring the bills of entry to be "noted" in the manifest. "Noting" is purely a clerical process, and the stage at which it is done should be immaterial for its purpose; it could, therefore, be deferred till after appraising processes have been completed. We, therefore, recommend that where a manifest cannot be lodged by the steamer agents early enough, the Collector should, by special order, permit bills of entry to be accepted by the Appraising Department for scrutiny of documents such as, invoices and import licences, and for assessment under the first or the second appraisement system. "Noting" by the Import Department could be done later, on receipt of the manifest from the agents. The appropriate change in the procedure would have to provide for bills of entry being noted before clearance is allowed.

21. Advantages of suggested procedure

The procedure we have recommended above would be particularly valuable for speeding up clearance of consignments by vessels arriving from near by ports in Asia and Africa which may not be directly connected by air services with some of the ports in India and the steamer agents are, therefore, not ordinarily in a position to file manifests in advance of the arrival of the vessel.

Chapter IX

EXAMINATION OF CARGO

1. Arrangements and method, important factors

An important factor in the timely clearance of goods through Customs is the nature of the arrangements made and the method adopted for the examination of cargo.

2. Nature of existing arrangements

There are naturally some differences in the arrangements at various ports. For example, Bombay has a fairly compact lay-out of docks and jetties, while at Calcutta, which is a *riverine* port, the dock facilities are dispersed and extend over wide area. At Bombay, a common examination centre is normally provided for three landing sheds, and three or four examining officers with a supervising appraiser, are posted at each centre. At Calcutta, each shed constitutes an examination centre, and is manned by an examining officer with a supervising appraiser, who, however, has to move from one shed to another. In short, goods generally come to the supervising appraiser at Bombay whereas at Calcutta, the supervising appraiser has to go to the goods.

3. Ideal arrangement

An ideal arrangement would be to provide for an examination centre, ith a supervising appraiser, at each shed, but we recognize that this ight result in some of the staff not being fully occupied for the whole ne. Nevertheless, we think that this pattern should be tried out exten ely in the more important and larger landing sheds, which are usually y throughout a working day. The Port Trusts would welcome this ngement because it would avoid moving packages outside the landing s for Customs examination and minimise the mixing up of cargo d by different vessels.

rnative arrangements

an alternative, a system best suited to local conditions should be , subject to the following criteria:—

) Where landing sheds are situated in close proximity, a common examination centre should be provided for two or, at the most, three sheds, the actual number depending upon the size of the sheds and the pressure of work. Each centre should be self-contained and provided with a supervising appraiser and an adequate number of examining officers.

Vhere sheds are separated from each other by an appreciable listance, examination centres should be set up in each shed nd the supervising appraiser should be given facilities to nove freely within his jurisdiction; a departmental vehicle eing provided where required.

CHAPTER X

ANALYTICAL TESTS

1. Many representations regarding tests

Many of the representations the Committee have received from bo importers and exporters including Government Departments conce analytical tests. These tests are at present responsible for both numero delays in the clearing and the shipping of goods and causing other inco veniences and even hardships to traders. We are particularly concern about such defects in the system as may have an adverse effect on t development and promotion of exports.

2. Purpose of tests

The purpose of Customs analytical tests is generally two fold, namel to secure compliance with import/export trade controls and to determir the correct rate of duty applicable. Occasionally, such tests are also nece sary for the enforcement of other statutory provisions. The tests ar employed to determine the composition and proportion of constituer elements of an article, which are not apparent by a visual examination

3. Arrangements for conducting tests

We find that arrangements for conducting Customs analytical tests ar provided at only a few of the points through which there is movement c goods across India's frontiers. For example, no facilities exist at develop ing ports such as Cochin and Vishakapatnam. Tests affecting good passing through the Saurashtra ports are carried out outside Saurashtra this must obviously cause considerable delays in notifying results beside creating other difficulties. At places where Customs laboratories do exist we find they suffer from a lack of modern and suitable equipment and are generally short of space as well as trained and qualified technica staff; they cannot carry out a wide range of tests or deal with all commo dities. For example, steel for testing has to be sent to Jamshedpur and there appears to be no really suitable testing equipment for preciou stones. Also, the Customs laboratories are not permitted to test import ed drugs and medicines for drug conrtol purposes for which they have to be sent to the drug control laboratories.

4. Need for improvement in existing arrangements

We understand that in view of the considerable change which the composition of the country's foreign trade has undergone, thereby widen ing the scope and nature of the chemical, physical and other analytical tests which are required, Government are already seized of the need for an extension and improvement of Customs test laboratories. A special examination has been made for this purpose recently by an Expert Com mittee. A building for a laboratory at Cochin has already been erected. We would like to emphasize the urgency for further appropriate action to ensure that existing arrangements for Customs sampling and testing are brought up without delay to international standards.

e Customs approach to tests

Evidence has been produced before us to show that unnecessary tests in the way of duplication or frequency, are carried out as a matter of routine, as for example, in the case of goods of established brands which are regularly imported in large quantities. The same applies in the case of goods of a standard type, with obvious characteristics and a long standing reputation, and of articles of well known formulae and composition. We understand, for instance, that if such goods are imported at the same time in different consignments and by different importers, a sample is drawn from each and tested. It has been urged that the specification or formulae given in the markers' literature should normally be accepted in the case of products imported in small quantities, which are of a costly character, such as perfumes and spirits of known brands.

6 Test Certificates of other agencies

Furthermore, tests are stated to be applied even in the case of articles covered by test certificates granted by international and independent authority or agency duly recognized by the Government of the country from which the goods were exported. We understand that this becomes necessary because reliance has otherwise to be placed only on the importer's documents to connect the certificate with the goods. Another instance of duplication of tests is that of exports of metallic residues like ashes of zinc, lead, brass or copper, where a 100 per cent. analytical re-port by recognized analysts is required by the trade control authorities o be submitted with shipping bills, but because the sampling for such ests has not been done from consignments under Customs control, the ustoms have to draw a further sample for test, and actual shipment is ld up until receipt of the Customs laboratory report, which takes some ys.

leed for a different approach

Ve are satisfied in regard to the need for a more balanced and rational ach on the part of Customs as well as the Import and Export Trade ol authorities in determining the necessity and occasions for carrying ts. We particularly consider that where Customs testing is known Customs department itself to be unsatisfactory, there should be no on to accept, for Customs purposes, tests which have been carried recognized agencies in this country or abroad.

ng procedures, sampling

ve received a number of complaints regarding the drawing of oth in respect of the methods used and the numbers and taken. These refer in particular to mineral ores, oils, drugs, dyes, paints, textiles and steel. The main burden of the is that the Indian Customs practices are not in line with methods ,and that the procedures adopted are often vexa- urious to trade interests.

aid down by national standards institutions

ittee discussed certain technical aspects of this subject with nist, Central Revenues Control Laboratory, and had the luable views. The Chief Chemist stated that there is

universally adopted international methods for drawing samples. It is generally the national standards institutions in different countries which suggest the procedure to be adopted for sampling and the scales and ranges of sampling for individual items. The Indian Standards Institution has also put forward, in the specifications for different commodities, methods and scales of sampling, and our attention was drawn to the fact that the Customs method for sampling manganese ore, for instance, virtually followed the recommendations of the Indian Standards Institution. It was also pointed out that had the Indian Standards Institution's standards been adopted in full in all cases by Custom House Laboratories, these would have been more harsh to trade interests. For example, the minimum scale of sampling suggested by the Indian Standards Institution in the case of Glacial Acetic Acid is the cuberoot of the number of containers, which would mean that if there are eight containers, two samples would have to be drawn. For carbolic acid the Indian Standards Institution scale is 10 to 20 per cent. The Customs laboratories work to much lower scales.

10. Reorientation of procedures

We recognize that we are not competent to advance any views in this technical matter, but we have thought it proper to bring it out so that all relevant procedures should be framed with due regard to legitimate trade interests and convenience, and in the case of exports, the points of view of foreign customers. We, however, wish to emphasize here that the Customs are at present obviously ill-equipped for sampling of ores and other bulk commodities; they have neither the equipment nor a qualified cadre of officers for this purpose. Urgent action is needed in this direction.

11. Bonded warehouses for export commodities

In this context, we suggest that Government should consider setting up at the ports public bonded warehouses for storing commodities intended for export, sometime ahead of shipment. This would enable the goods to remain under Customs control until shipment, and the sampling for tests being carried out by departmental or other agencies in good time before shipment. Alternatively, private godowns at the ports could also be licensed for this purpose and placed under Customs custody. This, for instance, would prevent the necessity for duplicate testing, as for example of metallic residues referred to above.

12. Delays in procedures

Our attention has been drawn to avoidable delays which occur at intermediate stages in cases where the Customs decide on making analytical tests. There is first a requisition by the Appraiser in the Custom House to the Examiner at the docks. The samples are then drawn and forwarded to the Custom House from where they are sent to the Custom House laboratory. On return from the laboratory, the papers are first sent to the registration section for recording the test, and then they are passed back to the appraiser concerned. This chain of movements we are told covers several days, quite apart from the time taken at the laboratory, and further aggravates the delays attendant on analytical tests, causing hardship particularly in the case of perishable, seasonal and bulk commodities which are exposed to pilferage and deterioration.

13. Time taken in testing

As regards the time taken in actual testing, we have been informed by the Chief Chemist, Central Revenues, that 60 per cent. of the samples are reported on within two weeks. While we do appreciate that the time required in particular cases must depend upon the nature of the commodity and the type of test required, we think that this measure of achievement falls short of reasonable requirements Action which we have suggested elsewhere in this chapter should bring about an improvement in this situation, and the hardship caused by such delays as are inevitable will be reduced by the implementation of our recommendation regarding part deliveries.

14. Test records

The absence of a systematic and up-to-date registration of test reports, which is essential to facilitate speedy location and reference is at present a handicap to both the Custom Houses and the public. This is one of the main causes of duplication of tests. Up-to-date records should be maintained along modern lines such as a card index system, which, incidentally, has, we understand, already been introduced in Bombay At present only the appraising department maintains records from which frequency of tests is controlled. The laboratory should keep its own card-index as a counter-check to enable it to reject requisitions for tests where they need not be made. Test records in the Appraising Department which are now maintained in a central section should be kept in each group for commodities pertaining to the group; this would eliminate the delay and defective registration inherent in the present system.

15. Notification of tests; period of validity

There are complaints that test reports are not promptly notified to the parties concerned or not always made available to them, and even when supplied, they do not contain the full data on which the findings are based; without such details, the parties are not in a position to contest the result, should they wish to. We have also received representations that test results for types or makes of articles regularly imported should hold valid for subsequent imports/exports over a longer period than at present; it has been suggested that, in the case of goods of reputable makers, the period of validity should not be less than 12 months, and further that the production of certified copies of test reports should be accepted for allowing clearance, or shipment, as the case may be, without check-backs on the Custom House records, which entail delays. We are in favour of reforms which would meet these points.

16. Test results; nature of findings

Apart from the delays in notifying test results, there are cases where sampling and testing by Customs laboratories have proved unsatisfactory and unacceptable to foreign buyers and sellers because of the methods and standards adopted, and as an illustration, our attention has been drawn to conflicting findings as given by a Customs laboratory and the Alipore Test House. Similarly, the findings of Indian Customs laboratories have not proved acceptable to foreign importers/exporters particularly in tests affecting mineral ores and oils.

17. Difficulties caused by absence of specifications

We have sought the views of the Chief Chemist, Central Revenues Control laboratory, and we find that, in this matter, the Customs laboratories have many problems and difficulties of their own. While they have few differences with the public in respect of quantitative results, many arise because of the absence of precise specifications in both the Customs Tariff schedule and the Import Trade Control schedule, in terms of which these tests could be carried out. The Chief Chemist has informed us of many articles for which no precise specifications have yet been laid down; for example, no criteria have been laid down to differentiate printing paper from other varieties, and especially from writing paper. With the levy of Central Excise duty on paper, at different rates on differently named varieties, it has become necessary to establish whether any imported paper falls within any of the categories mentioned in the Central Excise Schedule. This is necessary to establish its liability to particular rates of countervailing duty. There are, however, no statutory or even clear trade specifications which will identify one named variety of paper from another. Another illustration is glass table-ware. The Import Trade Control regulations permitted the import of "heat resisting glass table-ware" but not of "non-heat-resistant ware". The Trade Control authorities, however, have not prescribed any tests for determining whether a particular article of glass table-ware is heat resisting or not. It has been left to the customs laboratories to improvise criteria in an effort to reconcile conflicting views from other Government departments and commercial interests. Where specifications have been laid down by the Trade Control authorities, they are either too elaborate or highly theoretical for the commodity which is commercially imported or exported.

18. Difficulty in prescribing specifications

The Chief Chemist has pointed out that the absence of statutory specifications for many articles is not peculiar to India; The Customs Tariffs of the United Kingdom and of the U.S.A. also contain many similar entries. Further, he has expressed the opinion that laying down specifications for fiscal or trade control purposes is an extremely difficult matter, whether it be for natural products, semi-manufactured materials or fully manufactured articles. Again, even where specifications are drawn up, there will always be marginal cases, which might fall outside the provision of reasonable tolerances and this could lead to dissatisfaction on the part of traders. Where specifications have been laid down, the importer's/exporter's co-operation by production of analytical or other data in his possession is helpful, but it is not always forthcoming. This Committee does not feel technically competent to go beyond recommending that when adopting test standards, the utmost consideration should be given to a free and uninterrupted flow of legitimate trade with the least possible delays and inconvenience to importers.

19. Representations against test results

There is a strong demand for a more satisfactory system in the matter of representations and formal appeals against test results. It is urged that when a party has reason to dispute a test result, facilities should be provided for the party to discuss the case with the Customs laboratory chemist. At present, all that is permitted is the opportunity for discussion with the Assistant Collector, who is non-technical. We think that the chemists on both sides should be permitted to be present when such discussion takes place.

8. Basic reasons for refusal to waive demurrage in other cases

The refusal of the Port Trust to remit demurrage in cases other than the three types referred to above is basically because they are a department distinct from the Customs. Whilst this may be so in fact, we consider a more accommodating attitude is justified in the matter of demurrage charges. The fact is that cargo is delivered directly into the custody of the Customs at ports where a port authority does not exist, and the question of demurrage charges does not arise at such ports in cases of the type we are considering here. At ports where a port authority is in existence, their function is essentially that of custodians of goods on behalf of the Customs in the nature of agents, and therefore, they should deal with cargo in terms of Customs directions.

9. Acceptance of detention certificates in all cases

If the issue is appreciated in this light, it stands to reason that the Port Trust should accept, as a matter of course, all detention certificates issued by Customs where the detention was beyond the control of the importer. We have shown in paragraph 7, that they do honour such certificates in certain types of cases where Customs accept responsibility for detention; it, therefore, seems inconsistent to us that this should not be adopted as the general rule in all such cases.

10. Safeguards for Port Trust revenue

In making this recommendation, we have not been unmindful of the fact that it would involve some loss of revenue to the Port Trust from demurrage charges. We, however, feel that their interests would be adequately safeguarded by the adoption of the following measures which we have suggested elsewhere in this report:

(i) It must be made obligatory on steamer agents to avail of the "prior entry" system. This would allow both Customs and importers more time to process clearance documents in advance of the actual landing of goods.

(ii) Free use must be made of the part delivery scheme in cases where Customs find it necessary to detain some part of the goods. This would ensure movement out of the docks of the bulk of import cargoes without delay.

(iii) The Customs should streamline and quicken their clearance procedures on the lines proposed in this report.

In addition, except in the three types of cases mentioned in paragraph 7 in which detention certificates are automatically granted, it should be laid down that certificates of detention must be issued by an officer not below the rank of Assistant Collector in order to ensure that they are not indiscriminately issued.

11. Maintenance by Customs of detained goods warehouse

If the course advocated by us above does not commend itself to Government, we suggest that the Customs themselves should maintain a Detained Goods Warehouse to which, under instructions issued by them, goods detained for Customs purposes could be transferred by the Port Trust. From the date of such transfer, the goods would cease to be liable for Port Trust rent, and would be liable for rent to be charged

Again, there is a demand that when samples are drawn, three lots should be taken and sealed by the Customs when the party so desires, one for the laboratory, one for the department asking for test, and one for the party. In the event of the party disputing the laboratory findings, it is suggested that the party should have the right, on payment of a fee, to have the sample retained by the Custom House, or his own sample, analysed by an independent and recognized agency whose findings should be accepted. We consider this to be a more satisfactory system than the existing procedure whereby only one sample is drawn and the retests are carried out by the Customs laboratory itself on remnant samples lying with Customs, which are sometimes not traceable. The fact that retests are admissible should also be recorded on bills of entry/shipping bills, for the information of the importer/shipper.

21. Procedure for appeals

In the matter of appeals, it has been urged that these should not lie with the Chief Chemist, Central Revenues Control Laboratory, but with an independent referee. We appreciate that the Chief Chemist being purely a technical adviser to the Central Board of Revenue, his advice would be free from revenue bias, and we find that it is so in a large measure, judging from the many instances in which decisions have been given in favour of appellants. Nevertheless, we observe that there is nothing in the Customs law to suggest that the Chief Chemist alone should be consulted by the appellate or revisionary authority. These authorities are not precluded from seeking or taking into consideration the advice of any other agency, and we understand that they do take such advice, when necessary. We think that this latter procedure should be adopted when the appellants so desire, in order that they may have the satisfaction that the technical merits of their case will be considered in an atmosphere free from bias.

CHAPTER XII

BONDS AND GUARANTEES

1. Scope of facility

We propose to deal more fully in this Chapter with customs bonds and guarantees to which a reference has been made in other parts of this report. When enforcing the Sea Customs Act, and certain other regulations governing the country's foreign trade, cases sometimes arise where a party is unable to fulfil all the requisite obligations and conditions, to the satisfaction of the Customs authorities, at the actual time of Import/Export. In such cases, the Customs authorities allow clearance or shipment rather than detain the goods, subject to the party executing a bond, or giving an adequate guarantee for the fulfilment of the necessary conditions within a specified time. Until recently, this involved in some cases, an executive relaxation of the law; the facility has now been placed on a statutory basis.

2. Advance recommendations regarding conditions and procedure

Whilst this facility is fully appreciated by importers/exporters, we have received several representations against the burdensome nature of the terms governing such bonds and guarantees. We have given this subject close attention at various stages of our investigation, and have also made an advance recommendation to Government suggesting the following immediate reforms:—

(1) Bankers' guarantees should not be demanded as a routine matter and should be taken only when they are considered indispensable. In other cases (and these would be the majority), we feel that the furnishing of sureties from concerns other than banks, will meet the situation and should be accepted as a general practice.

(2) When financial guarantees are required from banks, the amount should not exceed 20 per cent of the bond, as is the current practice in the Central Excise department.

(3) It should suffice if the signature on bonds is witnessed by a licensed Customs Clearing Agent, or by a scheduled bank under its seal; insistence on attestation by a Magistrate, Notary Public or Justice of the Peace is unnecessary and merely causes delays.

The text of our recommendation has been reproduced in Part III.

3. Time-limit for cancellation of bond

We have also drawn attention in the course of that recommendation to the hardship caused by the prolonged delays in cancelling bankers' guarantees after the fulfilment of the terms of the bond. We recommend that this cancellation should be completed within 30 days of the final fulfilment of the obligations written in the bonds.

by the Customs authorities. The scale of this rent could justifiably be regulated according as the importer is or is not held responsible for the whole or a part of the period of detention.

12. Advantages of scheme

The virtue of this scheme lies in the Customs department assuming, as it properly should, the sole responsibility for the storage of, and recovery of the rent in respect of, the goods detained by them. The fear of suffering penal rent (which could be just as high as the Port Trust demurrage) in the event of an importer being held responsible for the delay in clearance, would be a check on him seeking transfer of his goods to the Customs warehouse as a matter of course. On the other hand, a check would also be placed on the unnecessary prolongation of assessment proceedings by assessing officers, since supervising officers would disapprove of too many transfers to the Customs Warehouse

13. Custodians of Customs detained goods warehouse

At the major ports, the Customs are not at present in a position to undertake the custody of goods and so we suggest that the customs Detained Goods Warehouse should be maintained by the Port Trust or some other responsible public body. There is nothing novel in this suggestion as Customs public bonded warehouses at these ports are already being maintained by the Port Trusts, and there is provision in the Customs law for both public and private agencies maintaining such warehouses.

14. Differences in port rates at different ports; diversion of trade

In this context, it is relevant to point out the lack of uniformity in the matter of "free days" and demurrage rates at the different ports The criteria for computing the free days are also not the same at all the ports At Calcutta, for instance, they are counted for each package from the date that package itself has been landed from the vessel. In Bombay, on the other hand, the free period is reckoned from a general landing date applicable to all the cargo brought by the vessel Such differences in practice have been some of the main causes for the diversion of imports from one port to another, particularly by importers not located at the port towns. While we appreciate that there may be good reasons for the maintenance of different practices at the different ports, we think that it would be in the general interest of the country that the scope for achieving a greater degree of uniformity should be explored

8. Period of validity

As regards the period of validity, the principle adopted according to the instructions of the Central Board of Revenue, is that the bank's surety should ordinarily be without any limit of time. Exception is made only in cases of "genuine difficulties" for which the rule is to prescribe a "safe minimum period". The extent of this safe minimum is usually determined solely by the department's capacity to secure fulfilment by the executant, of the obligations undertaken by him under the bond. To us, this appears quite unreasonable and unfair. In most routine cases, six months to one year should be sufficient for the party, and the Department, to complete all the steps required to be taken under the bond, and its period of validity should not, therefore, in any such case, exceed 12 months.

4. Attendance of signatories at the Custom House

Our attention has been drawn to cases where, des instructions of the Central Board of Revenue to the con still require executives of importing firms to attend in pers tom House for signing bonds. Insistence on such attenda rally evoked a strong protest. We recommend that the C of Revenue should take immediate steps to ensure that its are effectively complied with.

5. Continuing bonds

We have suggested elsewhere that the facility of continuing bonds (instead of individual bonds for each consignment), s extended to all established importers to cover all their war operations We consider that similar facilities are necessary in of the bonds now being taken, as for instance, from airline con to cover different kinds of operations of a recurring character, b connection with imports and exports. The practice of requiring a rate bond to be executed each time such an operation is cond should be discontinued. We understand that, in Calcutta, regis guarantees, renewable every year, are accepted Similar arrangem should be adopted at the other ports, if they do not already exist or not being made available as freely as they should be.

6. Prescribed forms

We observe that, except in a few instances, no specific forms hav been prescribed for bonds and guarantees In many cases, bonds ar taken to cover certain repetitive or recurring types of cases, and we suggest, therefore, that the Central Board of Revenue should prescribe standard forms and publish them in the "Indian Sea Customs Manual" for the information of the public.

7. Mention of amount in texts of bonds

It has been represented to us that in some instances, bonds are demanded without any limit in the matter of the amount, or their period of validity. When we investigated this complaint, the Customs department explained that provision is generally made for the amounts to be shown in the text of the bond. We have, however, come across forms of bonds where no such provision existed in the text, though it appears in the form of the guarantee endorsement to be made by the bank This is unsatisfactory, and we recommend that the financial liability of the importer/exporter by way of duty or penalty, as the case may be, should be estimated as precisely as possible, and the amount, with the addition perhaps of a small margin, say, not exceeding 10 per cent, for possible variations, should be shown in the text of the bond. The routine tendency to fix the amount of the bond at a figure equal to the value of the goods, irrespective of whether it does or does not provide the rue measure of the importer's/exporter's liability, should be stopped. Ve would like to stress that these suggestions are made without preju- ce to our earlier recommendation that, so far as the bank's guarantee concerned, it should be limited to 20 per cent of the amount o d.

and should be effected without further delay, so that imports by land may be put on the same footing as imports by sea or air with regard to bonded warehousing.

4. Warehouses at airports; increased accommodation necessary

The provision of bonded warehouse accommodation at the Customs Airports is far short of requirements for handling airline stores, repair equipment and spare parts. Since these facilities are vital for the efficient and safe operation of the airlines, we consider that this matter should be given high priority by the Civil Aviation Department in their development plans for the airports, and that they should consult the Collectors of Customs concerned in determining the scale and nature of the accommodation required. Meanwhile, we suggest the scope for providing warehousing accommodation in hangars or sheds as a temporary measure should be immediately explored.

5. Public warehouses preferable at airports

In our opinion, a public bonded warehouse at each major Customs airport is preferable to a number of small private bonded warehouses which are now being licensed in the name of individual airline companies. It would be appropriate, in our view, for the International Airlines Committee to be appointed custodians of such warehouses. in the capacity of "warehousekeepers" under Sections 15 and 124 of the Sea Customs Act. Accommodation in this warehouse should also be provided for the storage of air freight intended for transhipment as well as for short-shipped and over-carried cargo, and baggage, unserviceable parts removed from aircraft, detained articles of passengers' and crews' baggage, which are now temporarily held at an airport by the airlines. We also recommend that the Civil Aviation Department should provide at all major ports bonded cold storage accommodation and a separate bonded storage for dangerous and inflammable goods, under its own custody, as is done by the Port Commissioners at the sea-ports.

6. "Dry- ports"

With the growing economic development of the country, demands have increased in recent years, for the establishment of "Dry-ports" in many inland cities. Such demands are particularly strong in respect of Delhi and of some State capitals, as well as certain centres of industry, like Jamshedpur, Bangalore, Nagpur, Ahmedabad and Kanpur. A "dry-port" envisages the goods landed at a sea-port being transported in bond to the inland city where a customs station is set up for the clearance of consignments on completion of customs processes such as payment of duty, and verification of import licences etc. It would also enable Customs clearance at the inland customs station, of goods intended for export, for shipment *via* the sea-ports.

7. Inland bonded warehouses; an alternative to "dry-ports"

This subject was recently mentioned in Parliament, and the Finance Minister pointed out the several practical difficulties that would be created for Government, on the one hand, and trade and industry, on the other, by the adoption of this proposal. We do not think it necessary for us to cover the same ground particularly as we have received

Chapter XIII

BONDED WAREHOUSING

1. Warehousing accommodation; licensing of private warehouses

It has been represented to us that more bonded warehouse accommodation is required in many places and especially at the major ports. Although this complaint was made to us at a time when the present cut in imports did not exist, it still raises an important question of principle namely, whether it is incumbent on Government to provide sufficient warehouse facilities to meet trade needs at any particular time. We take the view that Government should do so, but we also appreciate that practical considerations, and circumstances beyond Government's control, may not permit the early enlargement of public bonded warehouse accommodation in particular localities. The law, however, has conferred upon Government the power of licensing private bonded warehouses, and we advocate a change in the departmental policy that has so far made very restricted use of this provision. Hesitation to authorise private bonded warehouses more liberally, arises presumably from a disinclination to widen the area of Customs administrative control much beyond the limits of the port and the Custom House.

2. Reasonable limits on private warehousing

We realize that, administratively, some limits will have to be set on the provision of facilities for private warehousing, but it should be possible to define in clear enough terms what such limits should be, and to license private warehouses freely within those limits. One reasonable condition, for instance, could be that, at a major port, private warehouses should be set up within the municipal boundaries. Another might be that private warehousing will be admissible in the case of regular importers of industrial raw materials, or other commodities which they import in bulk or reasonable numbers. Private warehousing is a facility which, we understand, has already been successfully operated, on a country-wide scale by the Central Excise Department which is another wing of the Central Board of Revenue. This facility is at present available to the indigenous tobacco trade which yields more than Rs. 30 crores of revenue to Government. Any risks involved in the extension of this facility for imported goods on the lines suggested by us would be considerably smaller than have been accepted and overcome by the Central Excise Department.

3. Provision of bonded Warehouses at Land Customs Stations

Bonded warehousing facilities are not at present available at any of the Land Customs Stations. The Land Customs Act does not provide for this facility, but we understand that since the nature and pattern of our trade across the Land frontiers are now totally different from those obtaining in 1924 when that Act was introduced, Government are in favour of amending the Act suitably and setting up bonded warehouses at the land borders. We consider this amendment to the Act is overdue.

in practice and that Government should have been compelled to allow certain relaxations. It appears, however, that there is a tendency in practice to avoid extending these concessions when the result would not be favourable to revenue. We, therefore, recommend that measures should be taken to ensure that the concessions are made available to the public in all reasonable circumstances. Further, we consider that in view of the fact that they are permanently needed, they should be embodied in the law itself.

12. Substitution of separate bonds by general bonds

Unnecessary inconvenience and delays are also caused by the insistence on separate bonds for individual consignments. We consider that established importers such as the oil and air companies who warehouse their goods regularly should be permitted to furnish continuing (general) bonds to cover all their warehousing operations. The amounts of such general bonds can be fixed with reference to the average scales of their warehousing transactions. A similar practice has been in vogue for several years in the Central Excise Department without causing any serious losses in revenue.

subsequent communications from Punjab and Delhi Chamber of Commerce, and other representative trading and industrial interests, admitting the force of the Government's view point. As an alternative, however, these interests have asked for the provision of inland bonded warehouses. This will enable goods landed at the sea-ports to be moved and stored in bond to inland industrial and trading centres after they have been duly assessed by, and cleared from the Custom Houses at the ports. Facilities of this pattern would restrict Customs operations in the inland centres to recovery of duty, and afford to the importer the convenience of deferring payment of duty until the goods are actually required by him.

8. Extension of inland bonded warehousing system

We note that inland bonded warehouses already exist in some industrial establishments, as for example, in cigarette factories, and also in places like Delhi, for storing supplies of imported goods for diplomatic and international missions. We, therefore, recommend that wherever justified by the regular flow of goods, licensed public or privately operated bonded warehouses should be established at inland centres, capable of dealing with goods cleared in bond at the sea ports, and trained Customs staff should be posted at such centres to operate these warehouses. The same warehouses should be used for goods imported by air or by land.

9. Dilatory procedures

We have examined the existing procedures regulating warehousing of imported goods, and we find that they cause considerable delays, resulting in goods occupying valuable space in the docks and the importers having to pay large amounts in demurrage. These time-consuming procedures stem from rigid interpretations of some of the provisions in the Sea Customs Act relating to warehousing. It is held, for instance, that because a bond for a sum equal to twice the duty chargeable has to be taken, the amount of the duty must be precisely determined before warehousing is permitted.

10. "Second appraisement" and post-audit of bond Bills of Entry

Presumably for similar reasons, an exact determination of the quantity and value of the goods is insisted upon before warehousing. The consequences of adherance to such technical interpretations are that, despite the availability of all the necessary documents, the goods cannot be assessed, until they have been landed and examined. The assessment is also subject to pre-audit. We consider that many of these inessential preliminaries should be eliminated, and goods intended for warehousing should normally be entitled to the benefit of the "second appraisement" procedure as well as to post-audit, to the same extent as goods intended for immediate clearance for consumption.

11. Amendments after warehousing

The provision referred to above regarding determination of quantity and value of goods intended for warehousing *vide* section 91 of the Sea Customs Act is so rigid that it does not even permit errors discovered after completion of warehousing processes to be rectified. It [illegible] evitable, therefore, that this provision should have been [illegible]

(ii) In determining the value for assessment, postal charges shou be excluded.

(iii) The limits in (i) should be suitably raised in the case of secor hand articles which do not fall within the categories subj either to high rates of duty or to severe import restrictio A list of such categories should be drawn up and furnish to the Customs staff at the foreign post offices for their gui ance.

(iv) Reasonable discretion should be vested in the Postal Appra ing Sections to waive duty demands, and also import licen requirements, in cases where they are satisfied that the goo imported, though falling outside the exemption limits, a on *bona fide* personal account. Here too, this discretic need not be extended to specified goods which are eith subject to high rates of duty or are banned or severely re tricted for import purposes.

5. Distinction between trade goods and personal articles

The Committee endeavoured to determine a formula whereby a di tinction could be made between parcels containing trade goods an those for purely personal and private consumption, in order that mo generous exemptions could be provided for the latter class of parcel In this we have not succeeded. It is not possible, for instance, to draw line of distinction in terms of the import licence factor since, subject t the import control exemption limits, import licences are required i both types of cases. Again, the payment factor does not provide a mea of distinction, for often goods imported through the post by an individua for private and personal use do involve a remittance payment. Clearl a distinction cannot be applied in terms of the known status of th addressee as this would inevitably result in discriminatory treatmen Finally, the Committee are aware that even had it been possible to di tinguish the case of goods imported for personal and private use and t accord them preferential treatment, there would still remain a real dange of these provisions being abused for commercial purposes.

6. Procedural aspects

The Committee have devoted special attention to the procedural as pects involved and are convinced that much scope exists for improve ments which would go a long way to remove some of the present diffi culties experienced by the public. Our detailed views on several of such organizational and procedural reforms are contained in Part II of thi report.

7. Number of foreign post offices inadequate

There are only five Foreign Post Offices in the country at present and these are located at Bombay, Calcutta, Madras, Delhi and Madurai, Foreign post parcels for the entire country are handled through these few offices. This is itself a cause of delays in the delivery of parcels to addressees residing at or near other centres particularly during occasions when it is customary to exchange seasonal gifts such as at Christmas and the New Year and on anniversaries. The post has become an increasingly popular medium for the transmission of small parcels because of convenience and quickness, and we anticipate a still further increase in the

CHAPTER XIV

FOREIGN POST PARCELS

1. Criticism of current facilities

The current facilities provided for, and procedures involved in, the clearance of foreign post parcels, result in inconvenience and delays, which have been widely criticized by most sections of the public.

2. Public relations aspect

We attach great importance to improvements in these procedures because they concern both individuals and trading interests. There is a significant public relations aspect to consider, particularly, since many of the recipients of parcels containing gifts and personal articles are foreigners resident in this country, including members of foreign diplomatic missions, who often judge the general efficiency of the Indian Government Administration by their personal experiences

3. Treatment of gifts

The complaints are primarily in regard to the levy of customs duties which are high in the case of luxury and consumer goods, and secondly, in respect of the requirements imposed by the Import Trade Control regulations. These impositions are regarded as irksome and often unjustified in the case of unsolicited gifts and donated goods. Current regulations demand an import licence for all goods imported through the post, except when they are intended for private and personal use and the value of the goods does not exceed Rs. 10, when imported from Asian countries, or Rs. 50 in the case of other countries. Also customs duty is charged on these imports except when the duty assessed on a parcel does not exceed Rs. 3.

l. Duty exemption limits for non-commercial parcels

As a substantial number of foreign parcels contain goods on commer- al account, for resale at a profit, we recognize the justification for duty mposition and import restrictions. Clearly, such goods should be subject the same duty and import regulations as apply to commercial cargo ported by sea, air or across the land frontiers. The exemption limits for purposes of duty and import licences are matters of Government icy but we think that the customs duty exemption limits are unreason ly low in relation to the corresponding exemption limits prescribed import licence purposes. We consider that a large part of the nume s public complaints from the non-commercial sector would be remov- f duty exemptions for parcels are liberalized in the following ner:—

(i) No duty should be charged where it does not amount to more than Rs. 10, whatever the value of the parcel, or where the value does not exceed Rs. 25, whatever the duty.

Chapter XV

GOVERNMENT STORES

1. Special procedures

Stores and equipment of all kinds imported on Government acc in this country have always enjoyed the special Customs concessio what is called the "Note and Pass" or "Pass and Return", system. system enables the stores to be cleared through Customs immedi on arrival without the production of documents such as import inv and import licences. Detailed procedures of assessment are undert later when the documents are produced. Government stores are given certain other concessions such as a relaxation of the limita period of 3 months, laid down in Section 40 of the Sea Customs Ac refund claims.

2. Heavy arrears due to special procedures

The only justification for this favourable treatment of Govern Departments seems to be the view that normal Customs procedures sh not apply to them. The "Note and Pass" system relieves them incidentally, the Custom House too) of the immediate pressure of a ment operations, at the point of clearance. This special treatment created its own problems, for a tendency to considerable delays slowness has developed in the importing departments providing th quired documentation for the assessment processes, and also in the Cu House completing these processes. It is reported that about a year in the Calcutta Custom House alone, there was an accumulation of 4000 of these cases pending completion. Among the more unsatisfa results of such arrears is the dislocation of revenue budgeting on the hand, and of the expenditure budget of the importing department cerned, on the other. We are, therefore, not surprised to learn that situation caused by these arrears induced the Ministry of Financ examine seriously the advisability of withdrawal of the "Note and facilities from Government organizations.

3. No justification for special procedure

We feel that the unregulated use of this system, is productive of inefficiency and delays in all the departments concerned, and particu in the Indian Stores Department in the U.K. which is responsible in main for imported supplies on account of Government and for the mission of the necessary documents required by Customs. We see reason why this department, or other Government supply organiza abroad, should be excused from submitting shipping and other docum in time when this rule is rigidly imposed in the case of private trade

4. Discrimination against private sector

There is another aspect of this subject to which we attach importa Imported Government stores generally fall into two distinct catego

(i) *Stores intended for consumption by Government's non-com* cial departments such as items of office equipment and

volume of foreign post parcels in the context of the development of the country's export trade. The Committee, therefore, recommend that additional foreign post offices should be established at all places where Collectors of Central Excise have their headquarters. At these places, the Central Excise staff, assisted where necessary by Customs officers, should clear foreign parcels. We feel sure that the general public would much appreciate these facilities.

8. Publicity

We would also like to stress the need for wider and more timely publicity with regard to the customs and import control regulations governing imports and exports through the medium of post parcels. This may not be so necessary in the case of commercial imports as regular traders are expected to be conversant with the relevant procedures. It is, however, of increasing importance in the case of individuals who receive or send parcels occasionally and often at short notice. We suggest this publicity should be arranged through appropriate brochures, to be issued by the Postal Department, and by inserting notices in the daily regional newspapers, say, once in three or six months. We consider such steps are required to acquaint the public with the correct position concerning foreign post parcels and would make it easier for them to comply with procedural requirements.

7. Exemption from duty for non-commercial departments

While on this subject, we would like to refer to the policy of charging duty on stores which are imported for consumption only within the non-commercial Ministries or departments of Government. In such cases, a considerable amount of time and trouble now spent on Customs assessment formalities, and on book transfers of sums from the importing department to the Customs department, with all the attendant correspondence, recovery of short levies, refund of excess levies, as the case may be, could be eliminated if the stores were treated as initially exempted from Customs duty. These stores would not be sold or enter into competition with trade goods and therefore, any objection from commercial interests would not arise. This is not an entirely new suggestion because certain notified exemptions already exist for non-commercial Government stores such as aeroplanes and certain types of military stores. We realize that, under the fiscal system followed at present, provision has been made for the levy of Customs duties on most kinds of Government stores, and for the transfer of these duties, by book adjustment, from the budgets of the importing department to the Central Revenues account, the grants themselves having been previously estimated and allotted to the department on a cum-duty basis. Our proposal, therefore, involves a further and substantial departure from the existing system, and has the effect of appreciably reducing the expenditure budgets of the Ministries, in particular that of the Defence Ministry. Unless Government consider the budgetary principle underlying the present system is of importance, we commend our suggestion for adoption.

fence stores, which are not intended for sale to the public in any form, and if sold at the disposal stage, the price which would be realized would be the market and not the ex-duty price;

(ii) Stores intended for State-owned corporations, or the many Government industrial and commercial undertakings.

While some justification may exist for the application of the "note pass" system in the case of category (i) above, we consider that there are fundamental objections to stores in category (ii) being given treatment different from that accorded to similar articles imported by the private sector. In our opinion there can be no justification for placing a Government Steel Works or Coal Mine or Trading Corporation in a more favourable position than a similar private sector concern in respect of clearance facilities, for they are thereby relieved of losses caused by delays in clearance. Unless this view is admitted, the country's acceptance of a planned mixed economy, in which the public and private sectors are to be treated with equal consideration, has little meaning

5. Special procedure to be limited to non-commercial Government Departments

It follows that if the "Note and Pass" procedure is to be continued, it should be confined strictly to stores imported for non-commercial departments of Government which require them solely for their own departmental use. State corporations and other Government industrial or commercial undertakings that sell goods or services should accept all the various Customs rules, regulations and procedures to which a commercial concern in the private sector is subject. The only fair alternative to this would be to extend the "Note and Pass" system to all reliable commercial importers, which, we feel sure, that Government would find difficult to accept.

6. How special procedure should be operated

If the "Note and Pass" procedure is continued even with strict limitations on its application, the cure for the present malady of arrears lies in the framing and effective observance of the following procedures: —

(i) A provisional debit for import duty should be raised against the importing department, on the best possible basis available at the time of clearance. The debit, for instance, could be equivalent to an amount calculated on the insured value and at the highest rate of duty that would apply to the manifested description.

(ii) Final adjustment of the debit within three months of clearance, on the basis of documents to be furnished to the Customs by the importing department; if documents are not forthcoming within this period, the original debit should be irrevocably confirmed.

(iii) The normal periods of limitation laid down in Sections 39 and 10 of the Sea Customs Act should appl[illegible] in a[illegible] [illegible]ses for recovery of short levies and refunds of[illegible]

for tariff, trade control or other reasons. A similar scrutiny is made in the case of shipping bills for goods valued at more than Rs. 25,000. In all other cases, including items liable to cess, the index clerk completes the Customs scrutiny which is subjected later to a 10% check by the Principal Appraiser. We consider the Bombay practice is sound and recommend its adoption at other Custom Houses.

5. Inadequacy of arrangements on holiday

Many organizations have severely criticized the inadequate facilities provided in Custom Houses, as distinct from the docks, on Sundays and public holidays. Even the skeleton staff detailed for holiday working does not function on Sundays nor on "closed holidays". In some sections, no staff operates at all, as for example, the accounts section. At the minor ports, Cocanada, for instance, no Customs arrangements of any kind exist on Sundays and holidays for the handling of even urgent shipments. These in our view, are serious handicaps which impede the movement of export cargo, and should be remedied immediately. It is also desirable that wide publicity be given to the facilities that are provided for handling export cargo on Sundays and holidays.

6. Employment of Preventive Officers on export examination

Preventive Officers are not employed on export examination at Bombay and we have been told that experience gained in Calcutta, where this is permitted, has not been uniformly satisfactory from the revenue and export control angles. It is, however, admitted that if the services of these officers, who are on duty for 24 hours and are in direct charge of the ships which are loading, could be utilized for the examination of export cargo, outward shipment operations would be considerably accelerated. Preventive officers are required to possess the same educational and general qualifications as Examining Officers, and we feel that such in-experience or other deficiencies that are likely to affect their work on cargo examination could be readily removed by suitable training and adequate supervision. Early attention should be given to training and using Preventive Officers for export cargo examination whenever other examiners are in short supply.

7. Review of scales of examination

There are some complaints of too meticulous and intensive examination. We recognize that the scales of examination must differ with the nature of the commodity, methods of packing, and the object for which the examination is conducted, but we suggest that the Collectors should review the scales and methods of examination and weighment periodically in order to ensure that they are not excessive and burdensome.

8. Operation of the boat-note system

The boat-note system in Calcutta is not being operated satisfactorily, largely because junior and inexperienced officers are placed in charge of shipping operations. In a lengthy memorandum submitted by representatives of steamship companies at Calcutta, this point was stressed by them and again emphasized during a personal discussion with us as one

Chapter XVI

EXPORTS

1. Importance of Customs export processes

The Committee are seized of the increased importance and greate urgency now attached by Government to substantial expansions of export to meet the country's foreign exchange needs, and note the pattern of incentives that are being devised in the export drive. The Committee have, therefore, devoted special attention to the various Customs processes that affect exports. Many problems are common to both imports and exports, and these have been dealt with under appropriate headings. Obvious examples are changes in customs duties, sampling and analytical tests. In this chapter, we intend to concentrate on problems which are of particular significance to exports; drawbacks on account of their great importance, have been dealt with at length in a separate chapter.

2 Location of an Export Trade Control section in the Custom House.

A major complaint from exporters relates to delays in the processing of shipping bills and export applications, in consequence of which it sometimes takes four days or more to obtain an "out of charge" order. Much of this delay can and does occur before the papers reach the Customs as all shipping bills for goods subject to export control have first to be passed by the Export Trade Control authorities, who are usually housed in separate buildings situated at some distance from the Custom Houses. We strongly recommend that the Export Trade Control Department should maintain a permanent section in or alongside the Custom House specially for passing shipping bills. This section can be small and compact and it should not be difficult to provide the necessary accommodation for it.

3. Unnecessary movements of shipping bills

Delays in processing export documents in the Custom House are largely due to the unsatisfactory arrangements for the reception, distribution, prompt examination and disposal in the various sections concerned. We find, for instance, that a shipping bill for manganese ore has to pass through as many as fourteen stages within the Custom House, apart from further stages in the docks for sampling and shipment. Again, every document must pass through a set channel irrespective of whether all the checks are actually necessary in a particular case. For instance, at some ports every shipping bill, whether subject to export licence/export duty/ s or not, has to be passed by the Export Section of the Appraising Department. Since the number of commodities affected by export duty ess or Export Control is limited; and is now on the decrease, this prac acts as a brake on the pace of disposal of export papers.

ombay system preferred

Bombay, we find the Export Section of the Appraising Department with only those shipping bills where appraising scrutiny is essential

CHAPTER XVII

DRAWBACK: ENTREPOT TRADE

1. Cases in which drawback is admissible

Claims for drawback of Customs duty paid at the time of importati arise in the following types of cases:—

(a) Imported articles used in the indigenous manufacture of goo which are exported.

(b) Commercial goods re-exported in their original condition.

(c) Commercial goods re-exported after being used in India.

(d) Personal articles that are re-exported.

We have received several representations from the trade in respect the rules and procedures governing the grant of drawback.

2. Arrangements in the case of (a) now satisfactory

We understand that since our Committee was set up, Governme have accepted the policy of granting drawback in full of the Custor duty paid on imported raw materials and components used in the man facture of goods which are exported out of India. Rules and procedur which are being framed also enable drawbacks to be paid at *ad hoc* rat fixed before hand, and without elaborate processes of supervision of man facture or scrutiny of manufacturing accounts. As an alternative, faci ties are also provided for the manufacture of goods in bond out of ir ported raw materials and components, and for the export of the finish articles from bond without any initial payment of import duty. The measures have substantially removed the difficulties which were repr sented to us in regard to articles described at (a) above.

3. Quantum of drawback in cases (b) and (d)

In the types of cases mentioned under (b) and (d) above, however, major complaint is in respect of the quantum of drawback allowed, whi is limited to 7/8ths of the import duty paid. It has been urged that deduction of as much as 1/8th of the duty levied is not justifiable view of the considerable increase in import duties since 1878, when th ratio of drawback was first fixed. We presume this deduction of the du paid is made as a service charge. Even on the assumption, the validi of which we seriously doubt, that it is proper to make any service char at all in these cases, we see no justification for any such imposition whe the total cost of the Customs administration amounts to less than 1·5 of the revenue collected by Customs. Moreover, the levy of such a char is inconsistent with the concession allowed in the case of goods placed i bond which can be re-exported without payment of any duty at all. is also inconsistent with the policy which allows the grant of full reba of excise duty on exports of goods subject to Central Excise duties i India. Further more, such deductions would operate against the develo ment of an entrepot trade which deserves as much encouragement as th

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of the chief and regular causes of dalay in the loading of export cargo. We recommend that the Collector of Customs should undertake an immediate examination of the working of this system with the object of eliminating unnecessary formalities, restrictive attitudes and other delaying factors.

9. Valuation

In addition to the improvements that are necessary in procedures, we attach considerable importance to the question of fair and correct valuation for the assessment of duty. We have devoted a separate chaper to this subject, but we would like to draw attention here also to the articular conflicts which can and do arise when determining the value export cargo under Section 30 of the Sea Customs Act. We find this ovision is normally interpreted to mean that the local wholesale mar- price, or the cost of delivery at the port, which may be quite different n the export price, should be taken as the basis. It is well known there is usually a difference between the domestic and the export price of a commodity, depending on several competitive factors.

10. Difference between valuation for assessment and for exchange control purposes

Fortunately, the number of items on which *ad valorem* export duty is levied is small, so that the occasions for arriving at deduced values are few. Complications are, however caused by Customs officers having to verify the value of exports for purposes of foreign exchange control. The exporter's value would naturally be the price for which the goods have been sold to the foreign buyer. It may well happen however, that such value differs from the deduced value arrived at under section 30 There is, therefore, a need for clear instructions which do not seem to exist at present, to guide Customs officers in this matter.

1. Solutions suggested

We favour the adoption of one of the following two solutions for is problem. The first is the replacement, wherever possible, of *ad lorem* export duties by specific duties. The second alternative is the ation of tariff values where this is found to be more suitable. We o feel that where an *ad valorem* duty is considered unavoidable, bese of the nature of the goods, as for example, engineering goods, the b. prices as contracted under open market conditions should be adoptfor assessment. This would be in accord with our recommendation he case of imports where the c.i.f. price, similarly contracted, has been ested as the basis for assessment.

nfluence of export duties on procedures

he levy of export duties is a matter of policy on which our views not been called for. Their general abolition, except in rare cases, however, remove many procedural problems and delays and, under t conditions, we feel that any resulting losses in Customs ell be more than balanced by increases in foreign

ues

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shipment of the goods, we are emphatically of the view that it should ordinarily be possible to settle such claims within 3 months of shipment, particularly when, as we have pointed out elsewhere in the course of an advance recommendation to Government, the audit processes can be deferred till after the payment has been made. We regard the enforcement of this time-limit as a vital measure for the promotion of exports.

8. Drawback on aviation spirit supplied to foreign-bound aircraft

In view of its importance, special mention is necessary of the Customs drawback on fuel supplied to foreign-bound aircraft. This drawback is paid at the lowest rate of duty which was in force during the six months prior to the date of supply. The oil companies and airlines have represented that this involves them in a heavy loss whenever an upward change in duty takes place. Since different consignments of aviation spirit, which may have paid duty at different rates, would be mixed together in the same storage tanks, and supplies are made from such tanks to internal as well as external airlines, we see no feasible alternative to the present system of paying drawback at the lowest rate applicable during a fixed period preceding the date of supply. However, we think it would be unusual and unlikely that as much as six months' supply of aviation spirit would be held in stock at any one time in the country, and we, therefore, recommend that the Customs Department should undertake an examination of the actual rate of consumption of aviation spirit with a view to reducing, if possible, the prescribed period of six months to a reasonably shorter period. We would also point out that the only way in which fixation of an arbitrary period such as this can be totally avoided, is to do away with the drawback procedure altogether and to maintain bonded stocks of aviation spirit at the airports. We understand that this is already being done at the Bombay and Calcutta airports, and recommend the extension of this arrangement to other airports in consultation with the oil companies.

9. Simplification of drawback procedure for aviation spirit

Until bonding facilities are available at all the Customs airports the need for this drawback procedure must continue. It is, therefore, necessary to simplify the drawback procedure which in its present form we consider as complicated and cumbersome. Having adopted the six-month rule referred to above on the ground that aviation spirit is bulked and it is not practicable to determine the duty paid on any particular lot supplied to an aircraft, it is absurd to require the oil companies, as is being done at present, to relate each lot consumed to specified bills of entry under which the spirit was originally imported. There are also other Customs processes used in this connection which are irksome and time-consuming technicalities of no real consequence to revenue. We have, therefore, in Part II of this report, made certain suggestions for the wholesale simplification of the existing procedures relating to drawback on aviation spirit.

10. Trade by land routes; drawback not admissible at present

Drawback of Customs duty is not at present admissible when goods imported by sea or air are re-exported across the land frontiers. Nor is it possible to transfer bonded goods, without payment of duty, by land routes to countries situated along, or in the neighbourhood of, the land

export of goods indigenously manufactured out of imported raw materials or components, for which, we have pointed out above, full drawback is admissible. For all these reasons, the Committee consider that no deductions from duties paid should be made in granting drawbacks on the articles described at (b) and (d) above.

4. Drawback on used goods and defective machinery parts

We are satisfied that adequate provision already exists (in Section 43A of the Sea Customs Act) for prescribing appropriate conditions for the grant of drawback in the case of goods described at (c) above, namely, those taken into use between importation and re-exportation. We also find that Government have, for instance, already made suitable provision under that section for the grant of drawback on used motor vehicles. We recommend, however, as an alternative to drawback, an exemption from Customs duty in the case of free replacements made in fulfilment of a foreign supplier's warranty to replace articles found defective in performance, which are returned to him. It should not be difficult in such cases for the Customs to satisfy themselves from the import trade control licence (issued without an exchange control copy) that the imported article is a free replacement of this kind. Customs records should also show that the defective article had been re-exported without payment of drawback.

5. Time-limit for drawback

It has been suggested by some traders that the time limit of 3 years, within which imported goods have to be exported to be entitled to drawback, should be increased to 5 years. We see no reason to support this proposal.

6. Advance recommendation regarding procedures

On the question of the procedures affecting shipments under claim for drawback, we have suggested the following measures in the course of an advance recommendation to Government, the text of which has been reproduced in Part III:—

(1) In order to enable an exporter to enter into firm commitments with his buyers abroad, facilities should be provided for inspection of goods, and determination of admissibility of drawback, as much in advance of shipment as may be necessary.

(2) Assistant Collectors need not be required to give their routine approval to all shipments made under claim for drawback.

(3) Audit of drawback claims should be deferred till after payment, there being a provision already in the Sea Customs Act for recovery of excess payments.

(4) The drawback shipping bill itself should be treated as a drawback claim; the existing practice requiring the exporter to lodge a separate claim should be discontinued.

erious delays in payment of drawback

Strong representations have been made to us about the many cases
erious delays in the settlement of drawback claims. [illegible]
back is in the majority of cases fully established [illegible]

Chapter XVIII

CHANGES IN IMPORT AND EXPORT DUTIES

1. Changes take effect from date of announcement

Changes in import or export duties, and in tariff values, take effect from the date they are announced and no previous notice is ordinarily given to the public about their introduction. It has been repeatedly urged in the past, and we ourselves have received strong representations from many interests to the effect, that such changes should not apply to goods in the process of being imported/exported against contracts finalised prior to the date of their announcement.

2. No alternative possible in the case of export duties

In the case of export duties, this aspect was recently examined by the Export Promotion Committee which reached the conclusion that, from the administrative angle, there is no alternative preferable to the existing practice of applying changes in duty on and from the date on which they are announced. We concur with this view.

3. Alteration in existing practices not justified in respect of import duties

As regards import duties, we find even less justification for altering the existing practice. We consider Section 64A of the Indian sale of Goods Act provides sufficient protection to the importer in such cases, as it is expressly intended to meet the situation created by changes in Customs duties. Under this provision, the contract price can be adjusted upward or downward according to whether duty is increased or decreased. It has been argued in support of the demand for exemption of existing contracts from altered import duties, that recourse to Section 64A of the Indian Sale of Goods Act causes unpleasantness between seller and buyer. We do not see why this need be so, as such provisions in commercial contracts are a normal feature.

4. Advantages of existing practice in the case of imports

We, therefore, consider that the present procedure in regard to the application of changes in import duties is both reasonable and administratively convenient, as it relates such changes to a date which is beyond dispute, namely, the date of presentation of a bill of entry at the Custom House, or the date of arrival of the vessel carrying the goods, whichever is later. It also protects the interests of the consumer, because the actual levy of the duty precedes the entry of the goods into the market. Another desirable feature is the anti-speculative nature of this arrangement. If the enforcement of an increased duty were to take place from some date after the announcement of the change, a rise in market prices would result even in respect of supplies which are imported during the intervening period and have not borne the increased rate of duty.

borders. The reverse operation is also not permissible. The ex... Land Customs provisions were enacted 34 years ago in 1921 when I...tan did not exist, and Indian trade with adjoining countries was, gen...ly speaking, negligible, and the need for encouragement of entr... trade with these countries was not, therefore, seriously felt.

11. Need for providing duty relief for trade by land

We are aware that certain special arrangements have existed for man... years through which this type of trade *via* the land routes has bee... relieved of the burdens of Indian Customs duties in certain cases. Bu... these arrangements are generally restricted to goods in through transi... across India. We think that full-fledged arrangements for providing duty relief, either by way of drawback or of bonded facilities, must form an integral part of any plans for the development of entrepot trade in our country, and they should be available to all categories of goods, namely, (i) goods imported for stock by sea or by air and re-exported by the land routes, and (ii) goods imported by land and re-exported by sea, air or land. We recommend early action in this direction. It follows that with the expansion of the existing facilities in the manner that we have proposed, the Customs organizational setups at the land frontiers will have to be adequate for the prevention of illegal re-import of rebated goods into India. There are no purely Customs restrictions at present on entrepot trade in goods imported by sea or air and re-exported by sea or by air.

12. Manufacturing "free zones"

It was represented by manufacturing interests before the Export Promotion Committee, and that Committee recommended, that a certain area in port premises should be declared a Customs free zone with a Customs cordon, to enable imported raw materials and processed goods to be manufactured, without payment of import duties, into finished products for export. Representatives of the All-India Manufacturers' Organization have urged the same proposal before us, and stated that they would be prepared to acquire the requisite land, and set up their factories, within any areas in port limits agreed upon between them and the Customs authorities. While we are aware that Government's policy is now to freely permit manufacture in bond, wherever feasible, we would like to ...d our support to the Export Promotion Committee's recommendation re...rding the creation of a manufacturing free zone as an additional ...asure of export promotion.

Chapter XIX

SHORT AND EXCESS LEVIES OF CUSTOMS DUTIES

1. Numerous representations regarding demands for short-levies

We have received numerous representations regarding the Customs attitude and procedures in cases where proceedings are taken under section 39 of the Sea Customs Act to recover duties, or other charges, which have not been collected initially, or have been short levied or, after having been levied, have been erroneously refunded. We find these demand notices are often issued indiscriminately, and treated as a revenue safeguard, without proper consideration being given to the merits of a case. There are also avoidable delays in the issue and service of these notices, and their contents lack a precise statement of the grounds and the reasons for the demand. Far too long a time is taken in completing the proceedings, and further delays occur in giving effect to the final decisions. It has also been represented to us that there have been cases where the period of three months within which appeals are to be filed by importer/exporter is reckoned from the date of issue of the notice and not, as it should be, from the date of the communication of the final decision to him.

2. Contents of notice of demand

In regard to the contents of the notice of demand, the existing state of affairs is obviously indefensible; steps should be immediately taken to ensure that these notices state, as specifically as possible, the particulars of the sum to be paid and the basis on which it has been found to be payable.

3. Reasons to be given where amount cannot be stated

We, however, recognize that there would be some cases in which it may not be practicable to specify the exact amount, as for example, where the value declared by the importer is initially in dispute, but is provisionally accepted pending further investigations in order to save the importer from demurrage charges and other inconveniences. It should nevertheless be possible to state in the demand notice, the reasons for not immediately accepting the declared value.

4. Prolonged delays in certain cases

We recognize that in the cases described, as well as in those instance where invoices have been provisionally loaded for purposes of assessment, it is not always possible to complete the investigations quickly because they involve production by the importer, and close scrutiny by the Customs Department, of a number of documents such as invoices contracts, remittance advices and manufacturing accounts. The departmental scrutiny has also sometimes to include processes like comparison with prices of competing products, and determination of export prices in supplying countries. Nevertheless, the general delay which occurs in the

5. Indian practice in line with international procedure

The Indian practice of bringing new or altered duties into force from the day they are announced is also in general conformity with the existing procedure in other Commonwealth countries and the U.S.A.

6. Warehoused goods

In the case of warehoused goods, the rate of duty and tariff valuation pplicable at the time of clearance from bond, is the rate in force on te date of the actual removal of the goods from the warehouse. This provision contrasts sharply with the provision referred to above whereby goods cleared on payment of duty immediately on arrival, are charged, not at the rate in force on the day they are cleared, but at the rate in force on the day the relative bill of entry was first delivered in the Custom House. We find that warehoused goods were not discriminated against in this manner until 1915, when the present provision was introduced by a special amendment of the Sea Customs Act. We have not been able to ascertain the reasons which led to the amendment. Whilst we recognise that clearance of goods ex bond is at the will of the importer unlike in the case of goods cleared for home consumption, it is our view that the rate of duty applied to goods cleared ex-bond should be that applicable on the date the duty is paid.

9. Two different systems for handling refund claims

Much discussion has taken place regarding the advantages of a centralized or a decentralized system for dealing with refund claims. The first envisages a single section staffed by executive and ministerial officers, charged with the sole responsibility of disposing of refund claims; under the second, each appraising group deals with claims relating to the tariff items assigned to the group.

10. Bombay system preferred

Both systems have their advantages and disadvantages, and it is understood that at the port of Bombay, a middle course has been adopted; current claims are assigned to the group to which they relate, and arrears, that is to say, claims which are more than six months old are dealt with by a central section. We favour this pattern for general adoption. Correspondence relating to current claims must also be decentralized, each group being made responsible for its own correspondence.

settlement of these cases are difficult to justify. There are instances on record in which the method of valuation for assessment to import duty has not been finalized for years, and the prolonged uncertainty in this regard has caused serious disorganization of the importer's business.

5. Remedy suggested

We think the remedy lies in the reinforcement of the Special Investigation Branches in the Custom Houses at Bombay and at Calcutta, which have been created specially to deal with these types of cases. Where, as in Madras, such a branch does not exist, and where the incidence of such cases demands the formation of a separate branch, one should be set up and adequately staffed A senior Assistant Collector with appraising experience must constantly supervise the working of these branches in order to ensure that—

(i) there are adequate reasons for questioning import invoices,

(ii) all relevant, and only relevant, documents and explanations required from the importer are called for at one time;

(iii) there is adequate response from the importer to the demand for documents and explanations;

(iv) the scrutiny of these documents, and collection of the required information from other sources, are completed efficiently and without delay.

6. Target to be fixed for finalization

We consider that a time limit of six months should be fixed for the final disposal of such cases by the Special Investigation Branch. This, of course, envisages full cooperation by the importer and a responsible attitude by the Customs staff. In cases more than six months old, the Collector should personally record a decision on such information as is available on the file. If this decision should be unfavourable to the importer, he would still retain the right of appeal against it.

7. Other cases of short levies

Apart from these special types of cases, there is the normal run of short levies arising from causes such as errors in assessment, for which also a time-limit for finalization is necessary. We think six months should be more than sufficient for a final demand, if any, to issue in such cases because the investigation involved would be limited in its scope.

8. Heavy arrears in refund claims

The position regarding settlement of refund claims is a great deal more serious. It is a matter of common knowledge that Custom Houses have been struggling with heavy arrears of refund claims, and we find that special arrangements have been made to clear these arrears. Obviously, however, it would be necessary to take suitable and vigorous steps to ensure that no new refund claims are allowed to add to the accumulation by remaining undecided beyond an outside limit of six months.

rates of duty (100 per cent. and 50 per cent. for watches and cameras respectively) plus dealer's profits. We, therefore, think these limits should be substituted, as early as possible, by numbers or measures or weights. We realize that there are certain articles where the value criterion may have to be retained, as for example, in the case of currency, precious stones, jewellery, and also in respect of the residuary allowance for unspecified articles, but the list of such articles should be kept as short as possible. We feel sure that trade control, fiscal and foreign exchange aspects of Government policy will be adequately safeguarded by using quantitative terms instead of money value in such cases.

5. Duty-free admission for articles in actual use

We, however, recognize in this connection that it would be impossible to enumerate exhaustively in the list of baggage concessions, the personal articles which a passenger or a tourist may bring with him. We, therefore, suggest that the list should contain such articles as ordinarly constitute the personal effects of most passengers and tourists, with the proviso that any others, irrespective of value, which have been in the *bona fide* use of the passenger/tourist, and brought in reasonable numbers, should be exempted from duty. This recommendation of ours closely follows, we think, the basic and internationally accepted principle that the baggage concessions should ordinarily cover all *bona fide* personal articles in actual use, that is to say, those which are usually carried by the owner while travelling for business or pleasure.

6. Time taken for clearance

There is evidence that careful forward planning which is necessary for clearance of passengers and baggage does not always receive the attention it should, from the Custom authorities. Many of the difficulties in this regard are caused by Customs staff not being housed in the neighbourhood of the airports, and by lack of an adequate and efficiently maintained fleet of motor vehicles for the transport, at short notice, of additional staff from their city residences or other points, to the airports during spells of pressure of Customs clearance of passengers. In Delhi, for instance, where the international airport is more than 10 miles from the city, to which it is not connected by public transport services, the Customs staff have to find their own way to get to the airport, and considerable delays are caused by shortage of relief staff when two or three aircraft have to be served simultaneously. Supervising officers posted at the baggage examination centres should be sufficiently experienced and senior to justify equipping them with all the powers necessary to decide cases, and adjudicate on minor breaches of the regulations, on the spot, so that quick clearance is effected in all but the exceptional cases. Appraising staff should also be required to be present at these centres, when necessary.

7. Physical arrangements at examination centres

Physical arrangements at the customs baggage examination centres leave much to be desired for in order to facilitate the expeditious and systematic examination and clearance of passengers. We also find a lack of adequate facilities for the convenience both of passengers and of the customs staff who are in continuous duty for long hours. We suggest that immediate attention should be paid to remove these deficiencies.

Chapter XX

TOURISTS AND OTHER PASSENGERS

1. New Baggage Rules

While the Committee's investigation was in progress, the Government of India published revised Baggage Rules applicable to tourists and other passengers to take effect from the 1st January 1958. The rules relating to tourists have since been further revised from the 3rd August 1958.

2. Concession for tourists

We understand that these new rules extend to tourists most of the baggage concessions which are considered necessary by the authorities directly concerned with the promotion of tourism. We have also been informed that it is now the Government's intention to keep closely in line with international practice, in this matter, and to limit the restrictions on tourists' baggage to those articles where it is established that Import Trade Control policy must be conceded over riding consideration. Even here, we note, exceptions have been made in the case of articles of high value, provided an undertaking is furnished by the tourist that they will be re-exported. We find, however, that an elaborate procedure is adopted for ensuring re-export. it involves detailed recording of the description and the value of each article at the time of entry, and its identification at the time of the tourist's departure. This seriously delays the Customs clearance of tourists, both inward and outward. We, therefore, suggest that, since in the case of genuine tourists, there is a reasonable assurance of re-export, a much simpler procedure should be evolved in consultation with the Tourist Promotion authorities.

3. Free allowances

The extent and scope of the free entitlement to baggage permitted to all travellers who cross the Indian borders are undoubtedly matters of policy and, strictly speaking, not included specifically in our terms of reference. But this subject is of great concern and has been very widely and strongly represented to us by various interests. We are also obliged o take note of it, because the application of baggage concessions is the rincipal cause of disagreement between the Customs and the travelling ublic. We have, therefore, decided to draw the attention of Govern-ent to some general aspects of the present regulations in this regard.

Substitution of quantitative for value limits

We consider that the rise in the cost of articles that ordinarily consti-e baggage has not been recognized in fixing the value limits, where se have been laid down for baggage allowances. The limits, as for mple Rs. 200 for a watch and Rs. 750 for a camera, which have been osed at present, are quite unrealistic, and they tend to become absurd n some Customs officers interpret them as representing prices which articles would fetch in India, that is to say after payment of high

12. Selection of baggage officers and their outlook

The attitude, manners, and discretion of customs officials are mos[t] important factors in dealing with passengers and their belongings. Thi[s] is particularly so in the case of foreigners where customs officials ar[e] usually the first representatives of India they meet, and the last whom they have contacts with before leaving. The impressions created on bot[h] occasions go a long way towards influencing the opinion of foreig[n] visitors regarding our country. The need for a most careful selection and the proper training of customs staff required to deal with travellers and especially with tourists cannot, therefore, be over-emphasized. A point to watch is that staff selected for such work should be free from an[y] erroneous conception about the position of personal baggage as a sourc[e] of revenue. The pernicious system of paying rewards to baggage check-ing officers, whenever they discover some irregularity in the course o[f] normal and routine clearance procedures, encourages vexatious practic[e] and should, we recommend, be abolished forthwith. To illustrate th[e] negligible effects on revenue of dues recovered from travellers, we draw attention to the figures pertaining to the year 1955/56. During thi[s] period 59,97,964 persons are reported to have crossed India's frontiers and the total sum realised, as penalties on personal baggage, is shown a[s] Rs. 1,81,339, which gives an average of about 3 nP per traveller. Custom[s] officers should realise that it is only a very small anti-social element tha[t] is responsible for serious abuses; this is illustrated by the fact that amon[g] the numbers mentioned above only 5,349 cases of breaches of th[e] regulations were detected, that is less than 1 case among each 1,00[0] travellers. These figures indicate that the vast majority of travellers ar[e] normal law-abiding people and fully entitled to be treated with courtes[y] and good manners by the customs and other Government officials.

13. Detection of smuggling

We are convinced that, with a reorientation of outlook along the line[s] that we have suggested, courtesy and smoothness can be achieved in th[e] quicker clearance of passengers and their baggage. Customs officers i[n] India, as in other countries, should have greater recourse to psycholog[y] and look to offenders revealing themselves by their attitudes, movements demeanour and stance or by the number or appearance of the package[s] they bring. In advancing these views, we are satisfied that the interest[s] of revenue will not be jeopardised as it is our understanding that, b[y] and large, smugglers are generally trapped by prelaid information an[d] intelligence, and not by routine checking of passengers.

...ale of baggage examination

In the matter of baggage examination, a distinction is ma... sea ports between saloon and deck passengers. The baggage o... passengers is liable only to a 10 to 20 per cent examination... passengers, on the other hand, have normally to submit to a much... and often a cent per cent check. This discrimination is sought... justified on the ground that deck passengers make only oral declar... We are unable to appreciate this reason, particularly as the... passengers are not obliged to make separate declarations of the co... of each package. We think there is little justification for the time... labour now spent on an intensive examination of deck passen... baggage, or on the assessment of a few articles of small value, in orde... verify whether these are in excess of the baggage allowances. We, th... fore, recommend that the deck passengers should be accorded the sa... treatment as saloon passengers.

9. Unaccompanied baggage

Strong criticism has been expressed against the rule which requires... hat unaccompanied or over-carried baggage must be cleared under the... ill of entry procedure, like cargo. We would point out that this pro... dure is extremely complicated for the ordinary passenger, and we... support the public view that such baggage should be cleared in the same way as accompanied baggage, that is to say, under baggage declaration forms. We appreciate that the assistance of appraising staff may be required and this should be obtained, where necessary, since unaccompanied baggage sometimes contains dutiable articles of high value and goods subject to import control restrictions.

10. Detained baggage

We understand that it is now the practice to detain the entire package of a traveller when only a part of its contents are under dispute with Customs. Authority for this practice is sought to be derived from Section 168 of the Sea Customs Act which provides for the goods liable ...or confiscation to include the package in which they are found and also ... the other contents of the same package. We think that this is, to put ...t mildly, an unduly harsh interpretation of Section 168. A traveller's ...baggage should not be brought within the purview of this section, ... unless he is held to have attempted an act of smuggling of a serious nature.

11. Body searches

We are told that body searches are sometimes conducted on gangways ...ith little regard for human dignity. We also understand that these ...arches are some-times being undertaken almost as a matter of routine, ...rticularly at some of the Land Customs stations, in disregard of the ...cific provisions of Section 169 of the Sea Customs Act, which permit ...ch of the body of a person only when there is reason to believe that ...as dutiable or prohibited goods secreted on his person. We strongly ...mend that, wherever such practices are followed, they should be ...diately abolished. It should also be ensured that, if a body search ...es necessary, the Customs official carrying out the search should ...onsible person who can be relied upon to discharge ...ant and difficult task in the least objectionable

even be announced orally. Clearance should then be permitted immediately on payment of the penalty imposed, pending the issue of a formal order. Where a party prefers a written notice, and desires to file a written reply, the shortest possible time should be fixed for adjudication in consultation with the "accused". We consider that, on receipt of the reply to the notice, it should not take normally more than two days for a decision to be recorded and communicated to the party. It seems to us that the major cause of the present delays is the concentration of powers of adjudication with officers in the higher grades, namely, Assistant Collectors and upwards. As the majority of offences are not of a serious nature, we see no reason why most of them should not be disposed of by Principal Appraisers. To enable this to be done, we recommend the necessary delegation of penal powers to Principal Appraisers as early as possible.

5. Grounds stated in penalty decisions.

A further unsatisfactory feature is that, in spite of the standing instructions of the Central Board of Revenue, original decisions seldom contain a clear and precise statement of the nature of the offence and the reasons for holding that it has been proved. It is common practice, particularly in Import Trade Control cases, for the text of the order to be reduced to a stock cyclostyled form. The same defect occurs, and assumes more serious aspect, in the case of appellate decisions, which often, consist merely of a sentence rejecting the appeal, or stating the party has not produced any fresh points. No indication is usually given as to whether the appellate authority has applied his mind to the points made by the party. Quite clearly, decisions of this kind do not convey any sense of justice having been done, or even attempted.

6. Personal hearings and hearings through counsel.

While a party is given the opportunity to be heard in person, should he so desire, we recommend that his right to do so should be statutorily recognized, and that he should also have a similarly recognized right to be represented by an expert in Customs procedures, or a legal adviser, at all stages of penal proceedings. This, we consider, is necessary because the Customs laws and regulations concerning, for example, imports, exports and foreign exchange, are becoming increasingly complicated, and need expert interpretation and presentation. We also consider that facilities for personal hearings should be provided outside office hours, and on Sundays and holidays, should the party so desire in urgent cases. This facility is particularly needed by masters of vessels, who wish to avoid detention of their ships.

7. Defects of appeal procedure in Custom House.

We recognize the weaknesses in a system where the same officer, namely, the Assistant Collector in direct administrative charge of the department concerned, detains, investigates and finally gives, the original decision, and recommend that this position should be avoided as far as possible in dealing with all major cases. Where, however, for practical reasons this procedure cannot be changed, as for instance, in a small establishment, or in order to secure the speediest possible disposals of cases, everything should be done to remove any sense of a lack of an impartial adjudication. In the case of appeals, however, we find the

CHAPTER XXI

PENAL PROCEEDINGS

1. Criticism in relation to all Stages

Penal proceedings under the Sea Customs Act as conducted at present have been criticized in relation to all stages of these proceedings, namely, initiation, adjudication, appeals and revision applications.

2. Penalties in cases of bonafide errors or trival cases

When it is proposed to initiate penal proceedings, a "show cause" notice is issued to the offending party. We find that such notices are often issued indiscriminately and without a proper study of the case, and sometimes on comparatively trivial grounds. For instance, penal action is not justified, in our view, in cases where *bona fide* mistakes have resulted by following prior advice received from the Custom House or the Import or Export Trade Control authorities. In such cases, it should suffice for the goods to be cleared with a warning. Also, we think that it is unfair to impose penalties in cases where identical consignments have been cleared previously without objection under the same licence description, or where goods have been shipped contrary to the instructions of the mporter and are to be re-exported.

"Show cause" notices; delays and defects

Even when the issue of a "show cause" notice is justified frequent ys take place in the service of these notices. Another common, and e serious, complaint is that the notices themselves leave much to be ed because they do not explain clearly the specific charges, and rounds on which they are based. Frequently, the notice merely to a section, or sections, of the Sea Customs Act, which may leave rty in some uncertainty regarding the actual charges to which he ired to reply. The delays in the issue of these notices would be ably reduced by authorizing the Principal Appraiser of the group ed to serve them without having to obtain the prior orders of tant Collector. Powers for the same purpose should be delegat- e Chief Inspector, or Senior Preventive Officer, at the baggage on centres. In any case, the need for the issue of a "show ice should not arise, when the "accused" party agrees to forego lity, and consents to accept a decision on the spot. We have lvance recommendation in this connection, the text of which nd in Part III.

djudication needed

atter of actual adjudication, we find that long delays are eaching decisions. We consider that all cases other than irregularities of a serious character where the penalty antial, the Customs decision should, if the part rees, an endorsement on the relevant C d or

periods. In such cases, goods are usually under detention, and afford sufficient security for the ultimate payment of the personal penalty before clearance.

12. Difficulties created by Section 178A

We have examined representation from particular trade interests such as the association of dealers in bullion and precious stones, regarding Section 178A which has recently been included in the Sea Customs Act. When a party is in possession of articles such as gold and precious stones specified in the section, and they are seized by a Customs Officer on suspicion of having been smuggled into the country, the section places upon the party the onus of proving that they have not been so smuggled. We are told these powers are, in some cases, being abused, and cause unnecessary harassment to honest dealers. It has been pointed out that in some cases of seizures of precious stones and bullion, the entire stock-in-trade, and all the account books of the dealer, are also taken over, and these are not returned for months causing a major disorganization in the dealer's business. Our attention has also been drawn to the special features of the foreign trade in precious stones and of the expert industry that manufactures high class jewellery. Precious stones have to be sorted and resorted into different lots according to specifications of size, colour and lustre, and when cut, they are mixed to accord with the particular demand of the customer. This happens in several cases, and sometimes more than once, before the goods are finally sold. It is, therefore, not always practicable to keep the detailed records of the identity of each stone, that are required by Customs, so as to correlate it accurately with the original entry pertaining to its purchase in the account books, when it has changed shape and size and been frequently divided into smaller pieces. It is such problems that make the rigid application of Section 178A a hardship to an honest jeweller and, in many cases, tend to discourage a line of business which has high potentialities as a earner of foreign exchange.

13. Suggestions for alleviation of jewellers' difficulties.

The Committee recognize that the object of Section 178A is to provide a weapon for anti-smuggling operations. At the same time, we suggest that recourse to this provision should be made only when an experienced officer of a rank not less than that of Assistant Collector is fully satisfied that there are strong grounds for a reasonable suspicion that the goods intended to be seized included smuggled property. The Assistant Collector should also ensure, by personal enquiry, that the resulting proceedings are being carried out without harassment or vindictiveness, and with the utmost despatch. We suggest a time-limit of three months, between the date of initiation and final disposal of the case by the Collector on the basis of evidence then available, should be generally aimed at, and appeals to the Central Board of Revenue should also be disposed of within a like period.

procedure at present adopted in a Custom House reveals a seri contradiction in the approach to penal proceedings. At the origi stage, these proceedings are treated as quasi-judicial, and hence, a pa may not have recourse to the Collector while his case is under adjudi tion. On the other hand, when the appeal is submitted to the Collecto the case is nearly always referred by him to the officer who gave tl original decision, for comments and views. An independent and fres mind is thus not applied to assessing the merits of the case. We regar this practice as most unsatisfactory, and recommend that there should b a separate Appeal Section in each major Custom House to handle all appeals, without any reference to the adjudicating officer who passed the original order.

8. Criticism of appellate and revisionary procedure.

At present the Central Board of Revenue decides appeals against original orders passed by Collectors of Customs, and revision applications against the order of the Board are considered by the Government of India in the Ministry of Finance. This arrangement has been widely criticized on the ground that revenue considerations must naturally, and inevitably, supervene at each of these levels and parties would thus be deprived of a completely unbiased hearing.

9. Recommendation regarding revision petitions.

We find that the Taxation Enquiry Commission examined this natter and came to the conclusion that, in the interest of the appellants themselves, it would be unwise to disturb the appellate machinery provided at present. But, at the stage of revision by the Government of India of appellate orders, they recommended the setting up of a tribunal consisting of at least one Judicial member who should be either a serving or retired High Court Judge and one member who has had experience of Customs administration. We agree with the Commission's views except to the extent that we consider that the association of a suitable representative of the import-export trade as an additional, or third member of the tribunal would be an improvement and would help to secure more informed, and therefore, more objective decisions.

10. Delays in appellate and revision proceedings.

Serious delays occur in the completion of appellate proceedings, both in the Collector's office and in the Central Board of Revenue. The same is the case with the disposal of revision petitions. As in such proceedings, which are based on facts already on the record, the party cannot possibly contribute to the delay, the full force of public riticism is naturally directed against the Customs Department, the entral Board of Revenue and Government. We understand that these elays take place mainly because of the heavy incidence of appeals and vision petitions, and that Government have already taken several ps, and propose to take more, to remedy the situation.

Deposit of personal penalties

The Committee support the long-standing public demand that re goods are under detention, personal penalties im . by ginal sions should not be enforced while an appeal . is involves blocking large sums of money.

6. Charging of overtime fees for supervision of landing and shipping operations

The Indian Customs practices in this regard are generally in line with those prevailing in other countries except in the matter of the charging of fees for the supervision provided. Fees for such services do not appear to be imposed in other countries; there is, for instance, no provision for them in the Customs Acts of the U.K. or Canada. In fact, the Indian Sea Customs Act itself makes no such provision. The only justification for these charges by which administrative costs are reduced, seems to be the departmental view that the public are entitled to free service only during what are commonly called "office hours". This view in its application to landing and shipping operations may have had some logical basis when round-the-clock working of ships at the major ports was very much the exception; it is a complete anachronism in the present-day conditions when such working has been made the rule in the national interest. Moreover, Customs supervision of the landing and shipping of goods is undertaken wholly in the department's interest, as opposed to the interests of the steamer agents, and its cost should, therefore, legitimately be a charge on Customs revenues. We, therefore, recommend that the practice of recovering "overtime" fees from steamer agents for Customs supervision provided for the working of ships outside "office hours", and on Sundays and public holidays, be abolished.

7. Working of the "prior entry" system

The "Import General Manifest", which contains a full statement of the cargo and stores carried by a vessel, has to be filed at present within 24 hours of the arrival of a vessel (Section 53 of the Sea Customs Act). We do not agree with the suggestion of some steamer agents that this period should be extended. This would be inconsistent with the view expressed by other steamer agents and the trade that no time-limit should be placed on the lodging of manifests in advance of the arrival of a vessel under what is termed the "prior entry" system. It would also be opposed to the need for quick clearance of both ships and goods from ports. There is, in fact, a demand from the public that steamer agents should be compelled by law to lodge import general manifests in advance of the vessel's arrival. We consider that this demand is justified, and should be given effect to, in respect of ports of origin situated beyond the Middle East and the East Coast of Africa on one side, and the Malayan Peninsula on the other. A scale of time-limits for foreign ports or geographical regions, depending upon their distances from Indian ports and the availability of air mail services between the two, could be introduced by notification.

8. Coastal shipping; time-limit for filing manifest

We note that at present the 24-hour limit applies to both foreign and coastal shipping. Physical difficulties and other factors sometimes make this limit unreal for coastal shipping. In this connection, we favour statutory sanction being given to the present practice of the Customs Department extending this time-limit in such cases.

CHAPTER XXII

STEAMER AGENTS

1. Nature of problems.

The responsibilities of steamer agents to Customs are limited by their functions as public carriers. Even so, several problems arise as a result of Customs regulations, as for example, those concerning Customs supervision of landing and shipping operations, scrutiny of short-landing and over-carried cargo, and assessment of ships' stores. We propose to deal with the more important of these problems in this chapter.

2. Inadequacy of boarding officers and launch facilities.

The number of boarding officers available at ports has been found to be inadequate when a number of cargo and passenger ships are in port simultaneously. This delays the receipt and delivery of ships' papers such as arrival reports and port clearances, and slows up the turn-round of ships. It also causes inconvenience to ships' officers and crews, particularly in obtaining regular supplies of rations for consump-ion on board. When the ships are lying in the stream, these difficulties re aggravated by the absence or inadequacy of Customs launch facilities. t the minor ports, boarding is not possible except when the tides rmit this operation, and officers are compelled to use the boats provid- by "tindals" in the absence of launches.

Time-limit for boarding; issue of rations.

/hile we appreciate that it may not always be possible to provide ceptional situations when a large number of ships are "bunched" ajor port, the regular staff and departmental launch facilities be sufficient to cope fully with traffic at normal peak levels. We essels should be boarded within an hour after their arrival and a officer, or group of officers, should, by arrangement with the ents, do a daily round of vessels in the stream for issue of nd for generally attending to ships' stores formalities.

facilities at minor ports.

larger of the minor ports, as for example, Tuticorin and an adequate number of launches, depending upon the scale al traffic should be available so that boarding in the stream least twice a day.

ts on holidays.

d landing operations are not allowed under the existing (Section 72 of the Sea Customs Act) on Sundays and and between sunset and sunrise, except with the permis-oms Collector. Permission is freely given but "overtime" for Customs supervision and these are fairly undays and "closed" holidays.

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...represented to us that "prior entry" manifests are not at present permitted to be lodged more than 14 days in advance of the arrival of a vessel. We understand that this prohibition has recently been withdrawn. It was, in any case, inconsistent with the purpose that the prior entry system was intended to serve, namely, completion of Customs formalities well before the arrival of the vessel so as to enable clearance of cargo immediately on landing.

10. Supplementary manifest; levy of fees

We appreciate the fact that a "prior entry" manifest should be filed in a reasonably complete form if it is to serve its purpose effectively. We do not, therefore, see any serious objection to the levy of reasonable fees for the admission of supplementary manifests. Customs authorities are, however, inclined to be somewhat rigid in this respect at some of the ports. We think a synthesis of the Bombay and Cochin practices, which we have set out in Part II, would be reasonable, and should be generally adopted.

11. Penalties for missing packages

If any goods manifested as for being landed in India are found short or missing and are not properly accounted for by steamer agents, a penalty is leviable on the agents under section 167(17) of the Sea Customs Act. This may amount to twice the amount of the duty chargeable on the missing or deficient goods, if the duty can be ascertained; otherwise, a penalty not exceeding Rs. 500 for every missing or deficient package or article may be levied. We understand that the normal rule in such cases is to restrict the penalty to an estimate of the actual duty leviable, where the steamer company's good faith is not in question. However, there appear to be instances where no serious attempt is made to estimate the duty, and the maximum fine of Rs. 500 is imposed regardless of the probable size or weight or value of the package. The Committee suggest that this tendency, wherever it exists, should be check-ed.

2. Time-limit for lodging export manifests

Section 66 of the Sea Customs Act allows 5 days after the grant port clearance to steamer agents, for filing the Export General Mani- of a vessel. We find, however, that several requests are made for ension of this period and these are granted. We, therefore, consider it would accord more with the actual position if the period is nded to seven days by an amendment of the Act.

Treatment of Ships' stores

Much time and effort both steamer agents and of Customs offi- is wasted, with little or no benefit to revenue collection, on the ersome procedures employed for the assessment of ships' stores, when ign vessel undertakes a coastal run. Even if the run is short or rary in its duration, the entire dutiable stores of the vessel com- scores of items and sometimes worth thousands of rupees, are ent initially charged to duty. Usually, only a small fraction of the

total stores are actually consumed in Indian waters on such runs, so that the drawback of duty which becomes due at the end of the run, is in respect of the major portion and value of the stores orginally assessed. With due regard to the nature and scale of the risks involved in the smuggling of bonded ships' stores into the country, we consider this procedure of collection and refund which, we understand, takes some months and even years to complete in some cases, an avoidable duplication. We have, in Part II of this report, suggested an alternative procedure for Government's consideration.

It has been represented to us that "prior entry" manifests are not at present permitted to be lodged more than 14 days in advance of the arrival of a vessel. We understand that this prohibition has recently been withdrawn. It was, in any case, inconsistent with the purpose that the prior entry system was intended to serve, namely, completion of Customs formalities well before the arrival of the vessel so as to enable clearance of cargo immediately on landing.

10. Supplementary manifest; levy of fees

We appreciate the fact that a "prior entry" manifest should be filed in a reasonably complete form if it is to serve its purpose effectively. We do not, therefore, see any serious objection to the levy of reasonable fees for the admission of supplementary manifests. Customs authorities are, however, inclined to be somewhat rigid in this respect at some of the ports. We think a synthesis of the Bombay and Cochin practices, which we have set out in Part II, would be reasonable, and should be generally adopted.

11. Penalties for missing packages

If any goods manifested as for being landed in India are found short or missing and are not properly accounted for by steamer agents, a penalty is leviable on the agents under section 167(17) of the Sea Customs Act. This may amount to twice the amount of the duty chargeable on the missing or deficient goods, if the duty can be ascertained; otherwise, a penalty not exceeding Rs. 500 for every missing or deficient package or article may be levied. We understand that the normal rule n such cases is to restrict the penalty to an estimate of the actual duty eviable, where the steamer company's good faith is not in question. lowever, there appear to be instances where no serious attempt is made estimate the duty, and the maximum fine of Rs. 500 is imposed gardless of the probable size or weight or value of the package. The mmittee suggest that this tendency, wherever it exists, should be check-

Time-limit for lodging export manifests

Section 66 of the Sea Customs Act allows 5 days after the grant rt clearance to steamer agents, for filing the Export General Mani- f a vessel. We find, however, that several requests are made for sion of this period and these are granted. We, therefore, consider t would accord more with the actual position if the period is led to seven days by an amendment of the Act.

eatment of Ships' stores

h time and effort both steamer agents and of Customs offi- wasted, with little or no benefit to revenue collection, on the ome procedures employed for the assessment of ships' stores, when n vessel undertakes a coastal run. Even if the run is short or y in its duration, the entire dutiable stores of the vessel com- cores of items and sometimes worth thousands of rupees, are initially charged to duty. Usually, only a small fraction of the

in the city itself. This arrangement they find more convenient than a Customs unit at the Airport. Again the obligations of airlines in Customs matters are comparatively small and do not at present justify the expenditure involved in establishing a sub-Custom House at the airport with an appraising department, a treasury and other necessary arrangements. No doubt, in time to come, air traffic will increase to a point when the volume and intensity will justify the establishment of Custom Houses at our international airports on the same lines as, for example, at London Airport, but meanwhile, we do not see the justification for this.

5. Possible improvements.

We have, therefore, considered other solutions to problems currently affecting the airlines. We find a large part of goods brought in by airlines are intended for their own consumption, or are in the nature of transit goods which do not pass into the city. These goods remain in the country on a temporary basis, whether they are aircraft spares for replacement and repairs, or supplies for victualling aircraft, or packages for transhipment from one route to another, or wrongly directed packages. The Customs interest in such goods is to ensure that they are not removed from the airport for sale or use without payment of duty or the necessary import licence. These objectives, we consider, can be secured in one of two ways at the Airport itself:

(i) By the creation of a "Customs free zone" within which goods of this kind can be received, stored, handled, processed and removed for shipment by foreign bound aircraft, without any interference by or documentation on the side of Customs, whose administration over the zone would, in practice, amount to little more than physical preventive surveillance.

(ii) The extension and liberalization of the existing bonded facilities available to the airlines.

We appreciate that, as has been the experience in other countries, the effective insulation of an area, by creating a Customs free zone, raises a number of problems and we, therefore, do not wish to press this proposal though we see its advantages to the airlines. We consider that the suggestion (ii) above would considerably ease the current problems of the airlines.

6. Relaxation of bonding procedures

These problems mainly centre around the present practice of making detailed assessments of aircraft spares and stores placed in bond, and an insistence on the observance of the normal ex-bond procedure when such spares are taken out to be fitted on aircraft, or where stores are to be reshipped. Since such spares and stores are not intended for use or sale in the country, we cannot see the justification for these elaborate formalities. We consider, all that is required is that full particulars of the goods held in bond should be filed with the Customs in the form of detailed invoices and specifications, duly certified by suppliers as well as the airlines. By this means, it would not be necessary to apply processes relating to the determination of values, classifications,

CHAPTER XXIII

AIR TRAFFIC—PROBLEMS OF THE AIRLINES

1. Application of Sea Customs procedures to Air traffic

There are at present only two Customs enactments in force in this country, namely, the Sea Customs Act of 1878 and the Land Customs Act of 1924. Air traffic and transport developed after the first World War and the Indian Aircraft Act was enacted in 1920. In the rules framed under that Act, provision was made for the application, *mutatis mutandis*, of the Sea Customs Act to air traffic. This was obviously intended as a purely temporary arrangement to provide for a few form of transport, and we understand that Government has now under consideration the preparation of a Customs Act applicable to sea, land and air traffic. In the meantime, however, Sea Customs procedures and practices are being applied to air traffic, which is necessarily unsatisfactory despite the several procedural relaxations and adaptations which have been improvised. Air traffic being now as popular as traffic by sea or land, we have endeavoured to examine how these procedures and practices could be streamlined.

2. Customs service for airlines; improvements necessary

The creation of an air freight unit in the major Custom Houses has helped considerably in the matter of air freight; we have referred elsewhere to certain problems which still exist in this connection. In the present chapter, we wish to deal with certain urgent improvements which are necessary to provide the Customs service required by the airline companies.

3. Documentation and process too elaborate

Under existing situations, the application of the Sea Customs Act to the airlines in particular has proved complex and difficult. For example, the documentation and process that have developed over many years in relation to slowmoving sea traffic are unsuitable for the speedy reception and clearance of aircraft, as for instance, in connection with the movement of stores in and out of aircraft, transhipment of freight and stores from one aircraft to another, urgent repairs, and handling of misdirected packages and of unaccompanied baggage The adverse result on air operation could, therefore, be serious.

4. Establishment of complete Customs unit at the airports

Airlines agents have pressed for the establishment of complete Air Customs Units at our international airports. This demand, however, is not supported by the trade or Custom House Agents. This is because air freight at present is conveyed by the Customs from the airport to the Custom House premises situated within the city (a distance usually of 10 to 20 miles) and importers and their agents are thus enabled to deal with Customs requirements, and obtain delivery of their consignments,

10. Documentation and supervision during transit stops of aircraft

We have earlier referred to the unsuitability, for the operations of international airlines, of Customs documentation designed for sea-borne traffic. This applies particularly to those formalities that have to be undertaken during the brief transit stops of aircraft. Nevertheless, the full range of processes and forms such as ex-bond bills of entry, shipping bills, applications for transhipment permits, are required by Customs, even when, for example, parts are removed from bonded or duty-paid stores for urgent servicing or repairs to transit aircraft. Radical simplification of such formalities is necessary and should be immediately brought about, and the revised procedure should be regulated by a system of stock-cards which, we understand, is already in existence and which could be further improved, if necessary. Customs documentation in such cases should be reduced to a simple application to the Customs officer at the airport. Suitable guarantees may be taken from the airlines for the observance of the necessary regulations. Any further documentation that is considered indispensable, not for purely technical reasons but for proper accounting, should be deferred till after the aircraft has been given Customs clearance. As regards Customs supervision, while we appreciate that it is needed for movements of consumable stores for the consumption of the passengers and crew, as in the case of wines and spirits and cigarettes, we see/little justification for making it a condition to be observed before permitting supplies of parts of aircraft engines, or other essential operating equipment, to waiting aircraft.

and duty rates to the relative bond bill of entry. In the exceptional case where an article may have to be taken out from bond for internal consumption, such processes can be undertaken at the time of actual removal.

7. Advantages of suggested arrangements

If, as we have suggested above, detailed assessment is not made, it would be possible for the Preventive staff at the airports to handle all operations connected with aircraft spares and stores to be placed in, or removed from, bond without reference to the Appraising Department in the Custom House. If bonded storage accommodation and connected facilities at the airports are also improved in the manner in which we have recommended elsewhere, occasions for clearing airlines spares or stores on payment of duty, for fitment or reshipment at a later date under a claim for drawback, would hardly arise.

8. Arrangements necessary for airline stores

We strongly recommend that, in any case, the present practice of removing, from the airports to the Customs House in the city, airlines spares or stores, or any other articles such as short-shipped or over-carried cargo and baggage remaining temporarily in charge of the air lines, should be abandoned. Whatever routine attention is required by the Airlines from the Customs should be provided at the airport itself by either the Preventive staff posted at the airport, or where this is not possible, by Appraising staff specially deputed for the purpose. Necessary powers should be delegated for this purpose to the supervising officers posted at the airport. If the volume of this type of work so justifies, one or more Appraisers with suitable qualifications and experience, should be permanently attached to the airport. Arrangements should also be made for the airlines to make payment of duties, and other charges, in cash or through deposit accounts, either at the Custom House or at the airport, at their option.

9. Service provided during transit stops of aircraft

All Customs formalities directly connected with the arrival or departure of an aircraft should obviously be conducted at the airport itself, without the need for a reference to the Custom House. This would cover matters such as the supply of fuel, transhipment cargo, spares and stores, and the supplementation and amendment of manifests. The cost of the Customs service provided while an aircraft is on the ground during a transit stop, irrespective of the time of day, must be borne by Government as a normal administrative charge. The existing practice where a distinction is drawn between Customs service provided during and outside scheduled working hours at an airport which operates throughout the 24 hours of the day and the levy of overtime fees from the airlines for services rendered outside scheduled hours is, in our view, wholly unrealistic. This objection does not however apply to overtime fees being charged for services provided when an aircraft is not on the ground, or during periods other than transit stops.

even now held to be liable under Section 4 of the Sea Customs Act, and we are informed that recovery is frequently made from his security deposit with the Custom House. We consider it to be unfair to debit to the Agent's deposits, any post-importation charges *unless* it is clearly proved that the short recovery was due to some act of misfeasance or negligence on his part. This is also the criterion laid down in the forms of bond and sureties prescribed in the new licensing rules. There should not, therefore, be any automatic debits to the Agents' deposit accounts just because a short-levy has occurred on a Customs document handled by the Agent. Unless there is evidence to the contrary, it should be assumed that an Agent acts in good faith on the basis of information given to him by his importer/exporter client, and that his obligations to the Custom House extend over the entire period taken in processing various documents to the point of "out of charge" When goods have passed out of the Customs charge, however, the subsequent gain or loss on them lies outside the hands of the clearing agent who should not, in equity, be held responsible for post-importation recoveries. In our view, an Agent's security deposit can be debited or forfeited only when he clearly fails to discharge the obligations placed on him by Custom House regulations, or if he is proved to have been guilty of misfeasance or negligence.

9. Condition regarding volume of business

One of the conditions laid down in rule 6 for the grant of a new licence as Custom House Agent requires applicant to "produce letters from at least six importers/exporters of standing, expressing their readiness to employ the applicant as their Custom House Agent". We appreciate that the purpose of this condition is to ensure that an agent's licence should not be granted unless there is a reasonable prospect of the licensee being fully employed. Such a condition, however, would be impracticable of fulfilment by an applicant for a new licence, because it is only after his appointment, that he would be enabled to canvass for genuine clients. We, therefore, recommend that a condition such as this should be enforced only at the time of renewal of the agent's licence under rule 13. We, also think that not only the number but also the volume of import/export business of clients should be the test of full employment of the agent. The condition as now framed should, therefore, be suitably modified.

10. Other objections not reasonable

We have found little force in other objections raised against the new rules. It has been argued that some of the obligations and duties placed on an Agent may be beyond his competence to fulfil. At this stage, these are purely academic issues and we do not propose to usurp the functions of a court We are all in favour of a uniform standard for Custom House Clearing Agents at all Custom Houses, and are satisfied that in the arrangements proposed in the new regulations, there is room for both large and small concerns.

that all existing Custom House Agents, and future entrants, must qualify by an examination to be conducted by the Customs Collector in accordance with the detailed provision made for this in the new rules. The existing Muccadams at Bombay particularly resent this measure, mainly because they lack education, and yet, as mentioned above, it is they who provide the literate Dalals with work.

5. Terms for examination liberal

We have studied the relevant rule, and we consider the terms governing this examination to be flexible and liberal. For example, the examination is restricted to those *actually engaged* in the work of a Custom House and the firm or partnership, which employs them is not affected. Also, examination is not compulsory, and it all depends on whether the Collector considers an examination should be held in a particular case or not. The examination itself may consist of an oral or written test, and the subjects which have been specified in the rules are generally those with which clearing agents or their employees are, or should be, fully familiar. In these circumstances, we see little justification for the protest raised against this provision for a qualifying test. We find these rules allow existing agents to continue for a period of five years, subject to annual renewals of licences, and there seems no reason why they should not, by then, have duly qualified themselves for the examination or arrange to engage employees who have.

6. Special problems of "Muccadams"

As regards the special problem of Muccadams at Bombay a possible solution might be for them to merge with Dalals to form small partnership concerns of Custom House Agents. As regards the qualifying examination, it seems to us that the rules leave sufficient discretion in the hands of the Customs Collector to limit the examination for the Muccadam to the actual processes which he normally handles in the course of the Customs clearance of goods. Another suggestion which we advocate in view of the fact that Muccadams have filled an auxiliary role efficiently enough in the clearing and shipping of goods for many decades, is to make a provision in the rules specifically for a distinct Muccadam's licence restricted to the operations which he is now conducting.

7. Language qualification

The new rule 9 (3) requires that an applicant for a Custom House Agent's licence should possess a satisfactory knowledge of English, the local language and Hindi. As was to be expected, a protest has been raised against the inclusion of Hindi, more particularly from areas where Hindi is not generally spoken. We consider that this is a point which should be taken care of in implementing the new rules at each individual port.

8. Liability of Custom House Agents for short levies

Another general objection raised refers to the liability of Custom House Agents for any post-importation charges that are demanded under Section 39 of the Sea Customs Act. These relate to the payment of duties not levied, short-levied or erroneously refunded. The agent is

3. Functions

One of the main functions of Advisory Committees and the Council should be to further every aspect of close co-ordination between the Customs and other departments of Government, and to prevent situations that may lead to friction or parallel planning, or insufficient previous consultation, in important matters that affect the public convenience. Though advisory in their functions, the Committee and the Council should be viewed in the same way as Consumers' or Users' Councils are treated in more advanced countries. Members should be encouraged to put forward the view-points of the users of the service that the Customs Department provides in clearing travellers and goods coming into, and going out of, India. We agree with the present policy of excluding individual grievances from discussion at these meetings, but we feel that examples illustrating principles that affect appreciable sections of importers and exporters should be admitted for examination. Our purpose in suggesting these changes is to provide the Customs authorities with a representative cross-section of objective public opinion that will assist them in producing practical results from meetings of these advisory bodies in the shape of increasing efficiency, eliminating delays and removing malpractices.

4. Agenda and minutes

The agenda for these meetings should be carefully prepared in advance, the Secretary inviting suggestions from the members for this purpose. The public should also be invited, each time a meeting is to be held, to represent through the members of the Committee, any difficulties and delays of a general character in the clearance and shipment of goods. The agenda should also include matters on which the Collector of Customs thinks the Committee's advice would be useful. A summary of important matters discussed should be methodically recorded, and agreed improvements should be suitably and vigorously implemented. The minutes of the meetings should be treated in a more systematic manner than at present, and as regards procedure, we have suggested a suitable set of rules in Part II of this report. Summaries of the proceedings should be sent to the Central Board of Revenue, who should keep in touch with important items through a special section so as to ensure that the needs of the public are constantly receiving the attention they should, from the Custom Houses. Similar action by the appropriate authorities with regard to agenda, minutes and implementation, is necessary in connection with the meetings of the Central Advisory Council.

5. Frequency of meetings

The frequency of meetings of these advisory bodies is of less importance than the quality and effectiveness of the results produced. Meetings of Advisory Committees at the major ports should be convened by the Collector as and when considered necessary, but normally each month. A half day should be sufficient for each such meeting. As regards the Central Advisory Council, we recommend that meetings be held every six months, and that every alternate meeting be convened at Delhi, others being arranged at one or the other of the major ports, as considered expedient by the Central Board of Revenue.

Chapter XXV

CUSTOMS ADVISORY BODIES

1. Advance recommendation

We have dealt with this subject in one of our advance recommendations for urgent reforms, as we felt that the existing Advisory Committees, set up to assist the Collectors at the major Custom Houses, were not fulfilling the purposes for which they were created. This recommendation, and another suggesting a Central Customs Advisory Council, at meetings of which it is hoped that the Minister will be able to preside, are reproduced in the Part III of our report, and we do not propose to go over the same ground again. We feel it important, however, to comment further on the composition, scope and usefulness of both local Customs Advisory Committees at the major ports, and of the Central Customs Advisory Council.

2. Composition

It will be advantageous to retain some flexibility in the composition of these committees, and to provide for co-opting representatives of special interests freely. The permanent membership should not be too large, and we think that local committees should be limited to about a dozen members, while the Central Advisory Council might consist of twice that number. The proportion of official and ex-officio members should, however, be reduced to not more than one-third, in each committee or council, as the case may be, and might even be less. For this purpose, representatives of Government's commercial and industrial interests should be counted as non-officials, as organizations like the State Trading Corporation, Hindustan Steel, Indian Airlines Corporation, and others, will be affected by the same problems as trading concerns in the private sector, if our recommendations are accepted. In providing for the representation of commercial interests on these advisory bodies, special weightage should be given to those who come into daily contact with the working of the Customs organization, as for example, shipping and clearing agents, importers and exporters, even if this results in a reduction in the representation previously provided for the larger Chambers of Commerce and their associations. We think that the organization of the Director of Inspection should be associated with all meetings of each Advisory Committee at a major port, and also with the Central Advisory Council, as it is in a position, if properly utilized, to render substantial help in introducing uniformity and procedural improvements. The Trade Control organization and the Port Commissioners are already represented on the Committees; the airport authorities should also be invited to nominate senior representatives. The Secretaries of the Ministries in control of these bodies should, we think, try to attend at least every alternate meeting of the Council.

CHAPTER XXVI

PUBLIC RELATIONS AND INFORMATION SERVICES

1. Importance of Public Relations organization

An efficient Public Relations and Information Section is an important part of any Government organization which must keep in direct and constant touch with business in the public and private sectors. This is even more so in the case of a department like the Customs which is engaged continuously in the enforcement of revenue and trade control enactments, because of the numbers and complexity of the rules and regulations involved. The basic feature of a useful public relations system is ready availability of up-to-date and comprehensive information, whether in the form of publications, or as answers to personal enquiries. It has been widely represented to us, that these features are lacking in the public relations and information service provided at present by the Customs Department.

2. All-India publications

We shall examine first the position in respect of Customs publications which are generally of two kinds, namely, those of all India application, and those issued by the individual Custom Houses to serve particular local needs. The three main all-India publications, available on sale to the public are.—

(i) "The Indian Custom Tariff Schedule"

(ii) "The Indian Sea Customs Manual";

(iii) "The Indian Customs Tariff Guide"

Detailed recommendations in the case of (iii) above have been made by us in Chapter IV of this report.

3 "The Indian Customs Tariff Schedule"

The Indian Customs Tariff Schedule is published twice a year by the Director General of Commercial Intelligence and Statistics. This frequency of publication appears satisfactory, but we observe that tariff changes made during the currency of an edition of the schedule are not notified to the public in a clearly intelligible form before their appearance in the next six-monthly edition. We regard this as a serious omission as the public have a right to expect from the Customs Department immediately tariff changes are made, a notice setting out clear explanations as to how these changes will affect existing items in the tariff. We, therefore, recommend that the Customs should issue a circular, within [illegible] hours of the announcement of any tariff changes, containing inter alia the old and the new rates in respect of each of the items affected. Similar action should be taken whenever any changes in duty are made by executive notifications.

6. Minor Ports and Land Customs Stations

In the course of our advance recommendations referred to in paragraph 1, we have stressed the need for Advisory Committees for the minor ports where none exists at present, and suggested how these committees should be constituted. We also consider that advisory committees are necessary, and should be set up early on similar lines, to cover all the important Land Customs stations.

Houses, and also at the airports, wharves and jetties These notice boards, however, have a limited scope for the distribution of information, especially of items which require close study and record. The "notice" should, therefore, specify clearly the sources from which copies of orders and circulars can be readily obtained.

9. Distribution of circulars

The Custom House should maintain an efficient section for the prompt issuing of copies of notices and circulars to a list of registered subscribers, on payment of an annual fee.

10. Reference books etc. at Public Relations Office

No reference libraries are provided at present in the Custom Houses even at the major ports. It is essential, in our view, that all Customs publications, notices and circulars, should be available for reference, and also on sale, to the public in the Custom House Public Relations Office. Care should be taken to ensure that a reasonably correct assessment of the public demand for these is made at least once in each quarter, and communicated to the Manager of Publications, so that both Public Relations Office and private booksellers can be kept adequately supplied throughout the year.

11 Service at minor Custom Houses

Information offices or sections should be provided even in the smaller Custom Houses There should be a clear indication, by means of signboards, to show where information regarding Customs matters is available

12. Public Relations Officer; existing position

Each of the major Custom Houses already has a Public Relations Officer, but the information supplied by him, and other services available from him, have been constantly criticized, on grounds of the competency, and the attitude, of the officer employed, and of the functions that are assigned to him. At Bombay and Calcutta, the Public Relations Officer is a Principal Appraiser but he usually has other duties to perform, such as acting as Secretary to the joint weekly meetings between the Custom House and the Joint Chief Controller of Imports. In Madras, the functions of a Public Relations Officer are assigned to an Assistant Collector in addition to his normal duties. At the Delhi Custom House, the Public Relations Officer is an officer of the junior rank of Inspector. It has been represented that oral advice is rarely given by a Public Relations Officer, and replies to written enquiries take weeks to issue from his office, and when received, they are often of little or no value, because of being couched in vague and guarded language. The office staff, accommodation and equipment provided for him is unsuitable and insufficient.

13. Public Relations Officer; recommendations

We think that only an officer of an Assistant Collector's rank, with all-round experience and also an aptitude for public relations work could efficiently perform the functions of Public Relations Officer at the major ports The requisite experience would normally be found only in an Assistant Collector promoted from the Principal Appraiser's grade It

4. "The Indian Sea Customs Manual"

Severe criticism has been expressed, of Government's repeated failures to issue revised editions of the Indian Sea Customs Manual every two years, as required by section 204 of the Sea Customs Act. Only 6 editions of this manual have appeared since 1924, giving an average interval of nearly half a dozen years between issues. We consider this matter one of primary importance and hold that the statutory obligation placed upon Government, to issue a revised edition every two years, should be fully honoured. Consolidated correction lists to the Manual should also be issued at six monthly intervals.

5. Amplification of "Indian Sea Customs Manual"

Many procedural regulations, instructions on valuation, tariff classification, interpretation of provisions of the Sea Customs Act and such like matters of vital concern to the trading public are now to be found in the departmental manuals only, and are not included in the publications available to the public. In recent editions of the "Indian Sea Customs Manual", however, a new and useful chapter has been included entitled "General Orders and Executive Instructions of the Government of India for the guidance of Customs Collectors". Apparently, this was done to deal with the wide public complaint that a number of executive instructions, issued to Customs Officers, are not known to the public. This welcome departure from the old practice of inserting such instructions in manuals for "departmental use only" should now be further liberalized and many of the rulings which now appear in the "departmental" manual called "Compilation of Rulings under the Sea Customs Act", should be included in the "Indian Sea Customs Manual", or some other appropriate publication available to the public.

6. Quarterly publication of local Custom House Orders

We think it is also necessary for a regular quarterly publication to be issued by the individual Custom Houses, containing all the local standing instructions after bringing them up-to-date.

7. Machinery for regular publication of manuals etc.

The need for early action on the lines suggested above is, we understand, recognized by Government, but it appears that the machinery for maintaining this type of service efficiently is either lacking or defective. We recommend that a permanent and vigorous section be maintained, both at the headquarters of the Central Board of Revenue as well as at each Custom House, for the express purpose of issuing up-to-date and comprehensive manuals at the prescribed intervals. This section should also issue correction slips regularly at quarterly intervals. At the major Custom Houses, the section should be attached to the Public Relations Office.

8. Issue and display of public notices

The "Daily lists" now circulated are reported to contain notifications and instructions already some weeks old. We recommend that, when instructions affecting the trade are received from the Central Board of Revenue or the Government of India, the Custom House should issue, within 24 hours, a public notice reproducing these instructions. More, larger and neater notice boards should be placed at suitable points in the Custom

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on on plans for improvements

:commend that, in planning improvements, expert publicity should be consulted, and the views expressed at Advisory eetings on the working of existing public relations sections isidered.

eradicating certain impressions

e should draw attention to two widely held impressions, iblic Relations Officer should concentrate on eradicating. ustoms policies and practices make this Department a "slow age of increasing speeds in most organizations with which nnected. The second is that too large a section of Custom ok upon documentation and related procedures in the light ials that must be observed at all costs even that of com- l of fairness to the public.

would be useful to both the public and the Customs, if this officer v also used as Secretary of the local Advisory Committee, but such dut should not interfere with his main work of answering enquiries on C toms matters from the public, and assisting the public generally in maki contacts with the right Customs sections and officers with a view to eli nating delays and other inconveniences. At the major Custom Hous the Public Relations Officer should have at least one senior Appraiser, a sufficient clerical staff to assist him to operate his office independen in all matters including correspondence. All arrangements regarding d tribution of information should be his responsibility, and the Collecto office should see that he is kept supplied with all orders and notificatio affecting the public, within 24 hours of issue or receipt. A fully equi ped and up-to-date library of reference books and publications shou be provided for him. His office accommodation should, as regards spa furniture, fittings and such other requirements, be in keeping with mode standards for a Government organization of the size and importance of Custom House dealing constantly with the public.

14. Quality of advice rendered

It is of the utmost importance that the Public Relations Officer shou answer enquiries promptly, clearly and helpfully, and both he and th Appraisers attached to him should be available througout office hou to the public for oral consultation. We appreciate that it is necessary t safeguard the interests of the revenue, and the trade controls, against th risks of incorrect advice given by the Public Relations Officer, on th basis of insufficient or misleading information furnished by an enquire We, however, feel that an importer should be entitled to clearance of first importation without penalties, where full information has been sup plied by him to, and recorded with, the Public Relations Officer, an declarations have been made on the relative bill of entry in accordanc with the advice given by that officer.

15. Advice on Trade Control matters

This also raises the issue as to whether the Customs Public Relation Officer should render advice on questions of Import & Export Trade Con trol. The Trade Control Organization maintains an information service at the ports, and it should properly be the concern of that service to supply the public with such information as is necessary in connection with the issue of licences. But when a question arises as to whether a particular article intended to be imported would be entitled to clearance under a particular licence description, there would be instances where consultation between the Trade Control office and the Custom House would be necessary. Such consultation should be completed without de- lay, and correct advice given to enquiring parties, as quickly as possible, by the office to which the enquiry is addressed.

16. Joint information centre not feasible

There appears to be no doubt that a joint information centre for Cus- toms and Trade Control at major ports would provide the ideal solution. But practical difficulties have to be taken into consideration, and our im- pression is that such a proposal would not be feasible at present.

such established practices and classifications should not be changed without their prior approval. We recommend that these orders be strictly enforced. We also recommend that if and when any such changes are authorized by Government, a reasonable period of notice should be given to the trade to safeguard their existing commitments. It is our understanding that the Indian Sale of Goods Act may not afford the same protection to the importer in these cases, as it does when a change in import duties is announced.

4. Committee to advise on classification

The existing procedure for determining classifications when there is a doubt or dispute, or when there is a lack of uniformity in the practices at the various ports, requires improvement for reaching quick and satisfactory decisions. We suggest that a Committee should be set up for this purpose at the headquarters of the Central Board of Revenue, consisting of officers of the Board and the Directorate of Inspection, Customs and Central Excises, assisted, when necessary, by the Chief Chemist, Central Revenues, officers of the Development Wing of the Ministry of Commerce & Industry, and officers of the organization of the Chief Controller of Imports. The Director of Inspection should be the convenor for meetings of this committee and they should be held at such intervals as may be necessary for the prompt consideration of pending references on matters of classification, and for advising the Board on such matters, so as to enable suitable rulings to be issued within the shortest possible time.

5. Classification of articles of "special design"

The Committee find that there is sometimes too much rigidity in the application, by Customs Officers, of some of the criteria laid down for tariff classification in determining "special design" which entitle such articles to favoured treatment, as for example, in the case of clocks, cables, instruments and lamps, intended for installation in aircraft. In order that the very object of such treatment may not be defeated, we recommend that, in such cases, a highly technical attitude and meticulous scrutiny should be avoided.

6. Machinery parts and accessories

Assessing officers also give restrictive application to the provision in the tariff that machine parts and accessories, which have no special design, should, nevertheless, be assessed at the low rate of duty prescribed for machinery, provided they are essential for the operation of the machine and are imported in reasonable quantities. Considerable delays are caused, with little benefit to the revenue, by assessing officers attempting to make a separate assessment of such parts and accessories. We consider that, in this respect, a clear and joint directive from the Central Board of Revenue and the Chief Controller of Imports and Exports would considerably facilitate the clearance of machine parts and other industrial equipment.

B. Valuation

7. Sole agency commission

D[illegible]uctions on account of sole agency commission are alre[illegible] allo[illegible] in t[illegible] f[illegible]tion of assessable value in cases where the Cust[illegible]

... of the sole agency arrangement between the importer and the foreign supplier. This deduction is, however, made subject to the condition that the agent must himself import the bulk (90%) of the agency goods entering India. The fulfilment of this condition is rarely possible under the present system of import control, which is specifically designed for the dispersal of licences to several importers, including actual users. A sole agency commission is not a trade discount, but a remuneration or reimbursement of expenses for the agent who functions as a broker for the foreign principal in the agent's territory in matters which concern the principal and the ultimate buyer. If, despite this fact, such a commission has been treated as an admissible deduction under Section 30(b) of the Sea Customs Act, it is not logical to lay down the condition that the bulk of the imports should be made by the agent himself in order to entitle him to the deduction for his commission shown on his own invoices. We, therefore, recommend that this unworkable condition should be withdrawn. We have stressed this matter because the Calcutta Import Trade Association, who raised this issue with the Central Board of Revenue, have been informed that the Board would review the position after we had submitted our views on this subject.

8. Damaged or deteriorated goods

Assessment of deteriorated or damaged goods can be abated under the existing law provided the damage or deterioration took place before the delivery of the bill of entry to the Customs. The Committee consider that this condition is neither fair nor realistic, and Customs should recognize claims on this account under Section 33, 34 and 34A of the Sea Customs Act, at any time before clearance, without attempting to determine the points of time at which the damage or deterioration occurred.

C. Provisional assessment

9. Facility provided

Cases occur when the scrutiny in the Appraising Department, of values and classifications of imported goods, may take longer than the owner can afford to wait. This may, for instance, happen when the value cannot be readily ascertained for want of full information, or the tariff classification has to be determined by chemical or other test. In such cases, the facility of a provisional assessment, subject to finalization after delivery of the goods, has been provided by section 29B of the Sea Customs Act. Many importers complain, however, that the actual terms and conditions laid down in, or in accordance with, the relevant rules are burdensome.

10. Burdensome conditions and procedures

The main complaint in such cases is that, as a matter of routine, the benefit of provisional assessment is withheld unless an importer executes a bond *and* deposits an amount equal to the duty provisionally assessed together with an additional sum which is generally not less than 20% of such duty. It also takes considerable time to complete the full procedure which has been laid down. Later, when the case is ready for final assessment, the processess adopted and the time taken to secure cancella-

ion of the bonds, and the adjustment of the deposits, are unduly protracted.

11. Recommendations

The Committee recognize the force in these complaints. If a reasonable sum has been taken as a deposit, we see no justification for demanding a bond in addition. Similarly, where an adequate bond has been provided, no deposit in addition should be necessary. In fixing the amount of the deposit, or of the bond, there is, in our view, considerable scope for the exercise of discretion in such cases by Assistant Collectors. When for instance, provisional assessment becomes necessary only because the choice between two applicable rates of duty cannot be immediately determined, nothing more is really needed in the interest of revenue, than a provisional assessment at the higher of the two rates. To cite another illustration, a surcharge as high as 20 per cent is totally uncalled for when deliveries of oil are made from bonded tanks, because mere marginal adjustments are required when the quantity delivered is finally determined. We also strongly urge the need for a speedier and simpler procedure for the cancellation of bonds and the adjustment of deposits as soon as the final duty assessment has been made.

D. Temporary imports

12. Liberalization necessary

The Committee have noted that Government already provide facilities for importation of articles intended for temporary use, without payment of duty, under a system of import licences and bonds for re-export. The Committee, however, consider that further liberalization is necessary in such cases in the following respects:—

(a) Organizations of standing should be permitted to clear and re-export equipment and apparatus that are temporarily imported, under personal guarantees and blanket Import/Export licences issued by the Chief Controller of Imports & Exports in consultation with the Ministry or State Government which may be concerned.

(b) Facilities should be given, where necessary, for unpacking or repacking, and sealing, packages in the presence of Customs Officers at any convenient site, including an up-country station.

(c) Equipment temporarily imported for servicing "sick" aircraft should be treated in the same way as any other temporary imports.

13. Goods for Exhibitions

In respect of one particular type of temporary imports, namely, goods intended for exhibitions, we found it necessary, in view of the then approaching "India 1958" Exhibition, to make an advance recommendation regarding the detailed procedure that should be adopted for Customs clearance of exhibits, both on their inward and outward journeys. The text of the recommendation will be found in Part III, and we would like to emphasize here only the basic point made in it, namely, that several of the problems which are encountered by the exhibitors as well as the

procedures intended for ordinary merchandise for sale. These difficul can be overcome only by not subjecting the exhibits to detailed ass ment. Normal assessment procedures are not necessary because certi invoices can be retained, and used at any time when identification a accounting of these exhibits is required.

E. Reimported goods

14. Indian goods; refunds of export levies

The Committee note that there is at present no provision in law refund the export duties and cesses paid on Indian goods export which are subsequently returned to India, but that the Government India do provide relief in such cases on an *ad hoc* basis. It appears tl the absence of a provision for such relief in the Sea Customs Act was omission, and we suggest that this mistake should be rectified by amendment of the Act. We observe that in a converse type of case, nan ly, that of excise duties rebated on export, there is already a provisi for reimposition of excise duty on reimportation.

15. Indian goods; condition regarding ownership

The Committee consider that Section 25 of the Sea Customs Act shou be amended so as to exempt, from Customs duty, reimported goods Indian manufacture, without insisting on the condition imposed at pr sent that there should have been no change in the ownership of the goo between exportation from India and their reimportation. No such co dition is imposed in the U.K., for example, and it is difficult to justi such a condition in the present day context of export promotion.

16. Indian goods; condition regarding time-limit

The Central Government should also be empowered under Sectio 25, to extend the time limit of 3 years laid down in the Section, in ap propriate cases.

17. Goods of foreign manufacture

Machinery and scientific instruments of foreign manufacture used i India, and then exported out of the country for repairs, are allowed a present, subject to certain conditions, to be reimported on payment o duty only on the cost of such repairs plus the freight and insurance. Th Committee recommends that, as in the U.K., this concession should b extended to all types of industrial goods of foreign manufacture, unde similar conditions.

F. Payments of duties and other charges

18. Acceptance of cheques

While we appreciate the need for care in accepting cheques for pay- ments of duty, in a Custom House, we consider that very little risk is involved in accepting those drawn on scheduled banks, and endorsed as "good for payment" on the day of payment. We, therefore, recommend that this practice be adopted and, if considered necessary, a suitable pro- cedure be evolved to detain a portion of the goods, pending realization of the cheque.

9. Debits of short levies to deposit accounts

We have referred elsewhere to the demands which are served by Cusoms on importers and exporters for payment of short-levies of duties. Vhere importers/exporters maintain deposit accounts with the Customs, t is now common practice to debit these sums to such accounts, without reviously obtaining the account-holder's consent. Objection has been aken by the trade to this practice on the ground that the account is naintained with the Custom House, as with a bank, only for the convenience of the holder, and it is, therefore, not right to make any debits o such accounts without the authorization of the holder. We fully supıort this view.

!0. Minor charges

We have referred elsewhere to the delays which take place due to the resent procedure for payments of minor charges such as amendment fees. We think the best method of minimizing such delays will be to collect hese charges through Customs revenue stamps, designed on the lines of Central Excise revenue stamps. They should be printed in suitable denominations and be on sale at the Custom House treasury or through licensed vendors.

G. Liaison with Port Commissioners

21. Existing position

The Collector of Customs is a member of the local Port Committee and the Port Trust has a representative on the local Customs Advisory Committee, but it cannot be said that this degree of liaison has produced effective or satisfactory results. The close and continuous co-ordination, that is so essential in the public interest, between these two organisations, which are closely inter-dependent in most matters affecting the clearance of goods and travellers, has still to be achieved. We found, for instance, that neither the Port Trust nor the Customs could furnish us with figures of detentions of cargo, attributable to Customs formalities, beyond the "free days" limit. An even more surprising instance was reported to have occurred about two years ago, when the decision was taken to reduce the number of "free days" in Bombay as a measure to stimulate quick clearances of cargoes. The Collector of Customs appears to have become aware of the decision which affected the trade and the Customs Department so vitally, only indirectly through discussions at a Port Committee meeting. It is stated that no previous consultations on this important matter took place between the Port Trust and Customs authorities, and it does not seem to have been taken into account by the former that quicker clearance through the reduction in the "free days" limit could not possibly be achieved, unless arrangements were first made to increase the speed of the service provided by the Customs organisation, by engaging additional staff and taking other necessary measures. We understand that, due to the absence of co-ordination in this case, as much as 75 per cent of import cargo, according to a Port Trust estimate, could not be cleared within the reduced free days limit and thus incurred demurrage.

We consider that prevention of instances of this kind can be effective only if meetings are held regularly, at agreed intervals, between the Docks Manager and the Collector of Customs, and also between the Deputy Docks Managers Traffic Managers and the senior Assistant Collector in charge of the Appraising Department, to review the operations of both organisations from a co-ordinated angle. At these meetings, current problems concerning clearances and similar matters of joint interest, as well as policies and future plans under consideration in both organisations, where co-ordination and integrated arrangements are necessary, should be fully worked out, and agreement reached before implementation commences.

II. Goods consigned to Diplomatic and U.N. Missions

23. Parcels and other freight consigned to Foreign Missions

In view of the obvious importance of, and urgency for, suitable arrangements for the prompt release by Customs, of postal parcels and freight intended for Diplomatic and U.N. Missions in India and their officers entitled to Customs privileges, we ascertained the current position from the Missions, through the Ministry of External Affairs. We found that such delays as were taking place were caused mainly by the local Customs authorities not being provided with up-to-date lists of the names and addresses of the officers of these Missions. The insistence on collecting statistical data of imports of this nature was also a contributory cause. We have made detailed advance recommendations on this subject, the text of which will be found in Part III.

24 U.N. Agencies: "Note and Pass" facility

We have made a reference earlier to the "Note and Pass" facilities extended to Government Stores. These used to be extended also to the specialized agencies of the U.N. in India until about a year ago, when they were discontinued. These agencies have represented to us that this facility should be restored, since they are handling relief supplies under schemes approved by Government, and are not working on a commercial basis. On investigation, the committee found that the reason for the withdrawal of the facility from the U.N. agencies was the failure on their part to submit the import documents and exemption certificates required to complete the Customs bills of entry. Having regard to the fact that the import of supplies by these, and such other, recognised bodies, is in the national interest, we recommend that they should be given the benefit of the same procedures as those accepted, at any particular time, for non-commercial "Government Stores", provided that the goods imported satisfy the following conditions:—

(a) The imports are approved by the Government of India.

(b) The goods are normally entitled to exemption from payment of duty on production of an exemption certificate from the U.N. agency or recognized body concerned.

(c) Satisfactory arrangements are made for the furnishing by such agency or body to the Customs, of certificates and other documents, with necessary particulars of description and value, as early as possible.

I. Air Freight

25. Arrangements for payment of duty

It has been represented to us that, in order to make the Custom House Air Freight Unit fully self-contained, arrangements should be made within the unit itself for payment of duty. We have examined the position in the Bombay and Calcutta Custom Houses, where we find that this is not necessary, because the Custom House treasury is located within a few minutes' walk of the air freight unit. We, however, observed that, although separate windows are provided in the Cash and Accounts Department for air freight bills of entry, these bills of entry get mixed up with sea freight bills of entry, at many stages of scrutiny in that department. We suggest that special and entirely separate arrangements should be made for air freight bills of entry, in order that they may receive quicker attention.

26. "Free days"

It has been represented to us that the time at present allowed to an importer for retaining his air freight in the Custom House godowns, without incurring demurrage, is not sufficient. We find that this period is not the same at all the ports; for instance, it is seven days at Bombay and three only at Calcutta. We appreciate that such requests for extending the free time are not consistent with the wide demand for quicker clearing service from the Custom House, specially in the case of air freight which should, by its very nature, be required for urgent use. There are, however, certain practical difficulties which importers encounter in such cases. Advance intimation to consignees, of arrival of air freight is not always possible, and it usually takes some time, particularly for up-country consignees, to collect the relative documents and send them to clearing agents. Having regard to these normal factors, and to the time actually taken for clearance of air freight in the majority of cases, we consider that six clear "free days" should be permitted to the importer, counting from the date of the despatch of the arrival advice to him by the airline agents.

J. Miscellaneous

27. Warehousing and transhipment ports

We observe that Government have declared a number of "minor" ports as ports where bonded warehousing or transhipment is permissible. Among these, we find Tuticorin figures as a warehousing port, but not as a transhipment port. Strong local representations have been made to us that facilities for transhipment should also be approved and provided at Tuticorin. We understand that a similar request was also made to Government and that an investigation had been arranged. Our object in referring to this subject is to point out that it will be necessary, in all such cases, to ensure that the facilities provided by the Customs Department keep fully in step with the needs of developing ports.

28. Panels of experts

It has been urged before us that Appraisers lack the special or technical knowledge necessary for dealing adequately with the classification and valuation of specialized types of engineering and scientific ar-

... particularly in the smaller Custom Houses such as Cochin, where staff is limited. We are aware of the difficulty in providing expert Appraisers for the entire range of such articles imported into this country in this age of rapid technological advances, and we think that the difficulty can be overcome in a large measure by Customs officers, when in doubt, consulting outside experts where they are available to a greater extent than at present. We further suggest that more satisfactory results, from the departmental as well as the trade point of view, will be obtained by the Collector of Customs forming, at each Custom House, a panel of recognised expert advisers, both official and non-official, with the assistance of other Government Departments and local industrial associations, on a retainer or *ad hoc* basis. We have made an advance recommendation on this subject, the text of which will be found in Part III.

29. Short-landing of goods

The Committee examined the difficulties experienced by importers in submitting claims for refund of duty in respect of short-landed goods within the time-limit of three months from the date of payment of duty, which is laid down in Section 40 of the Sea Customs Act. Delays which are beyond the importer's control often take place in obtaining "short certificates" from the Port Trust, in support of the short-landing. The Committee consider that, in the case of refund claims arising from short-landings, the provisions of section 40 should be relaxed so as to count the limitation period of three months from the date of issue of the "short certificates" by the Port Trust.

30. Revision of assessment of goods after clearance

Section 36 of the Sea Customs Act lays down, in effect, that assessments cannot be reopened after the goods have been cleared from Customs custody, if the reassessment involves re-examination of the goods. The Committee recognize the need for fixing a definite stage of finality for Customs assessments, and the practical difficulties in providing for reassessment in such cases. We are, therefore, in agreement with the general principles embodied in Section 36. We also note that Government have already provided for reassessment in certain types of cases which do not involve a vital departure from the principle laid down in that section, but we observe at the same time, that there is an apparent tendency, on the part of the department, to avoid reopening of the assessment even in these approved types of cases. We suggest that this tendency should be checked.

31. Reshipment of goods by banks

It sometimes happens that after an order has been placed by an Indian importer, and the goods shipped from abroad, the importer, for some reason, decides not to honour the bank draft and does not clear the goods. The shipper, in such cases, ordinarily instructs the Indian bank which holds the shipping documents, to re-export the goods. Steamer agents too may receive similar instructions when goods are shipped by mistake. It has been urged before us that, in these instances, reshipment should be automatically permitted by Customs, on request from the bank or the steamer agents, as the case may be. We are unable to support this

suggestion, as it stands, because the Customs must necessarily enter into the question whether any attempt was made to import the goods in contravention of the Import Trade Control regulations, and decide each case on its merits. But we find that the levy of penalties often degenerates into a routine practice in these instances. We recommend that their merits should be carefully examined, before any penalties are imposed, and the delay in their disposal, generally caused by their being given a some what low priority, should be minimized.

32. Emergency supplies

When goods are received at an airport in an emergency, a more liberal treatment than is extended at present, is necessary. When they are received by a responsible organisation, or when the observance of Customs formalities is guaranteed by such an organisation, clearance should be immediately given at the airport itself, under the authority of the nearest competent Gazetted officer.

CHAPTER XXVIII

ORGANISATION

1. Scope of chapter

In dealing, in Chapter III, with the Committee's approach, we have given some indication of our line of thinking on the question of the organizational set-up and the performance efficiency that should be aimed at by the Customs Department. In other chapters, we have also made several suggestions related to certain specific functions performed by the various sections in a Custom House. In this Chapter, we propose to deal with some general aspects of organization, which affect the working of the Customs department as a whole, and particularly of its most important wing, the Appraising Section.

2. Conclusions based on objectives

We have deliberately dealt with this subject only towards the end of this part of the our report, as it was first necessary to reach firm conclusions on the various objectives that have to be served, and on the quality of the results that are required at each stage. In the case of the Customs department, the objectives are well known, and generally accepted, and the Committee have carefully studied a wide cross-section of public and departmental opinion regarding the tempo of working, the quality of the services, the nature of public facilities and the extent of staff amenities, that should be provided, before reaching, the conclusions, and making the recommendations, contained in the following paragraphs.

3. Committee concerned mainly with performance

We would like to make it quite clear that we are concerned mainly with the performance aspects of the Department. While it is neither possible, nor desirable, to by-pass the views of the various categories of staff who man the Customs Service, we have deliberately refrained from commenting on matters like pay scales, allowances and promotion prospects, which properly come within the purview of the Pay Commission, recently appointed by Government, nor are these particular subjects included in our terms of reference. It has not, however, been possible to avoid making some mention of grades, and channels and prospects of promotion, when dealing with unit output and efficiency of performance; but it is our intention that such references should be treated as a part of our proposals to improve and modernize the working of the Department. We have also assumed, in outlining our views on organization, that the majority of our other recommendations will be accepted, more particularly those that deal directly with the decentralization of adequate authority to experienced executive officials on the spot, in custom houses, docks, airports and land customs stations, to enable quicker clearances of passengers and goods.

4. Planning

It is clear from the evidence placed before us that the Customs Department was found unprepared in its executive, ministerial and technical services, for handling, efficiently and expeditiously, the rapid post-war expansion of India's import and export trade. In attempts to expand quickly, inexperience and immaturity have been the inevitable results, in all ranks and formations of the Customs Department. This state of affairs needs to be rectified as early as possible by planning based on an accurate assessment of the current position, and a carefully framed forecast of future needs. We consider that, having regard to the country's development plans, the Department should gradually prepare itself for the speedy clearance of not less than Rs. 1,000 crores worth of goods in each direction, across India's sea and land frontiers, and to provide, at the same time, facilities that can cater quickly and efficiently for about a million travellers each way. If these round figures do not carry conviction, we suggest that more accurate forecasts, based on realistic surveys, should be made. A point of general importance that we would like to make here is that the resources spent on the Five Year Plans will not be used to the best advantage if a key department like the Customs, which controls clearances of large supplies of raw materials and capital goods to industry, is inadequately equipped for this task. Reluctance, or postponement beyond a reasonable point, to provide adequate facilities because of their increased costs is false economy, and can result in much greater consequential expenditure on the plan projects and in substantial production losses. This, in our view, constitutes an over-riding justification for the careful forward planning in respect of all services provided by the Customs department.

5. Present basis of calculating cost of administration, not realistic

We have already referred briefly to the present outlook which inclines towards spending the smallest possible proportion of the revenues, collected by Customs, on the services provided for the public and on improvements in the working conditions for staff. We mentioned 1·5 per cent as the proportion of the total Customs revenue collections, which represents the gross expenditure on the organization provided not only for actual Customs work, but also for the carrying out of the many and important agency functions for about fourteen other Government Departments. According to the figures furnished to us, the corresponding ratios in respect of the "sister" revenue-collecting Departments of Central Excise and Income-tax are considerably higher, being more than double, although these organizations are required to perform little or no work for other Government departments. While appreciating that book adjustments only may be involved, we think, nevertheless, that the costs of enforcement of trade and other controls through the Customs organization should be debited at least on a "no profit no loss" basis to the Departments for which these functions are specially undertaken. This will give a more correct picture of the position, and will help to justify the provision of urgently needed additional facilities for the public and for the Customs staff. We consider that this additional expenditure is well worth while and, from an overall national angle, will pay good dividends.

The need has no doubt always been recognized for sufficient reserv in as important a department as the Customs which must clear a contin ous flow of goods and passengers inward and outward, quickly and ef ciently, but our studies of conditions in various Custom Houses, indica that, in practice, such reserves have not been adequately maintaine We consider that much greater attention should be given to this aspect the organization, particularly in the Appraising and Preventive Depar ments. In a large and widely dispersed department like the Customs, r serves when not required at one place or section, can always be usefull employed to relieve temporary pressures which regularly develop in th many other branches or localities where there is congestion.

7. Methods of recruitment

We have only a few comments to make on the present methods c recruitment in the executive cadres of the Custom Houses. As w have observed later, the important issue of the proportions reserved fo direct recruitment in each grade, which involves conflicting interests, wi no doubt be reviewed by the Pay Commission. Regarding the quality o the candidates for the Customs services recommended by the Employmen Exchange, we have heard unanimous criticism, but this is a matter o general application, with which Government are already seized. On th question of the recruitment of Examiners and Preventive Officers, we hav heard different opinions. One view inclines to the practice, followed i Calcutta, where recruitment to both these grades is made at a single an common selection, on the basis of identical educational qualification Some think that, because the work required from an Examiner is usuall different from that performed by a Preventive Officer, recruitment to thes two services should be separate. We shall briefly repeat here the view we have already expressed earlier in this report, that the public interes demands the maximum utilization of all available, qualified staff, and therefore, Preventive Officers should be employed, where necessary, on examination of export cargo as well. In making this recommendation we are aware of the fact that many years of continuous service in the non-technical job of a Preventive Officer, may make it difficult to conver an individual into an efficient Examiner, but this difficulty can be avoided by making suitable dispositions of staff and providing for practica training, under adequate supervision, for Preventive staff in examining work.

8. Recruitment of experts; training of officers in industrial and other establishments

We have referred earlier to the difficulty in providing sufficient officers with expert knowledge of various types of machinery and scientific equipment, the range of which is constantly widening with technological advances and the growing industrialization of the country. We recommend that a careful assessment should be made periodically of the requirements for such specialists, and for arrangements for their recruitment through suitable channels. Furthermore, there is, in our view, considerable scope for training Customs officers in industrial, and other, establishments to enable them to familiarize themselves with the various specifications and types of machinery and equipment which are being used. We have been assured by representatives of industries that they would gladly assist in the training of such officers.

9. Need for more "all-rounders"

The range and nature of the work performed in Custom Houses or in the docks, or airports, or at land frontier stations, vary considerably, and its intensity is often seasonal, or linked with the bunching of transport, or the rise and fall in public demands. We consider that arrangements should be made to provide for larger numbers of "all rounders" among the Preventive, Examining and Appraising Staff to deal with such situations, particularly in the smaller places like Cochin or Amritsar where the total staff employed has necessarily to be limited.

10. Training of officers

Training establishments on a properly organized pattern and scale have not yet been attempted by the Customs Department. Training programmes have been laid down so far only for direct recruits as Assistant Collectors, on their first appointment. On the analogy of the training courses established by other Government departments, we make the following recommendations. We suggest, firstly, that an early start be made with the establishment of a training centre for executive staff in the grade of Examiners, Appraisers and Preventive Officers, and new entrants in each of these grades should spend a suitable period at this centre before understudying a working post. After acquiring a few years' practical experience in working posts, all executive Customs officers, including Assistant Collectors, should again attend a training centre for a refresher course, preferably between their 5th and 7th year of service A third spell, for selected senior officers, spent on a senior officers' course, between, say, the 15th and 18th year of their service, would also be useful. It may be necessary to establish more than one training centre for these purposes, and they would no doubt be sited on a regional basis. We would, however, suggest that the first training centre should be located in, or within a convenient distance of, Calcutta which has many advantages, as a major sea-port, as the headquarters of an extensive Land Customs organization serving traffic between India, Pakistan and Tibet, and having in close proximity, the largest developing international airport in India.

11. Courses for training

We refrain from making any suggestions regarding the courses which should be adopted at the training centres and schools. These would no doubt be planned by experienced Customs and Excise officers, and those responsible for trade controls and fiscal policies would be consulted. We might mention that it is the normal feature of such courses that, apart from familiarizing the officers with the actual duties they are to perform, they provide a background study of the relevant Laws and practices of other countries, and of international conventions and agreements, which would be helpful in creating a wider outlook in the performance of such duties. Lectures by, and discussions with, senior working or retired officers not only from the administrative Ministry, but also other Ministries, and eminent members of the public, would also be included.

riding need for efficient operation of the Appraising Department as a whole, to reduce the number of Assistant collector's posts for a particular work-load. Where more than one senior scale Assistant Collector is found necessary for the Appraising Department, the overall control of the Department should be placed in charge of a Deputy Collector. The cumulative effect of reorganization on these lines may well result in no addition to the present costs of running the Appraising Department.

18. Working conditions of Preventive staff

The continuous service throughout the 24 hours, and in adequate strength during spells of unexpected pressure, which has to be provided by the Preventive Branch in the docks, and at the airports, is impossible (as we have already observed in connection with the clearance of passengers) unless the staff are provided with residential accommodation within reasonble distances of their place of work, or receive all the facilities required in respect of transport, to and from their offices/residences. We would like to point out that, in respect of such matters, and of other working conditions and amenities so necessary for persons who have to be on duty for long hours by day and night, the Customs department does not give facilities and conveniences to their staff comparable to those provided by the airlines or shipping companies or railways for their operating or station staff who work under somewhat similar conditions. We strongly recommend that immediate steps should be taken to make up these short-comings, not merely in the interest of the staff, but also of the public for whom they are required to provide efficient and continuous service.

19. Ministerial establishments

In regard to the ministerial establishments, our information is that Lower Division Clerks are being employed on duties which should not be normally assigned to that grade, and should properly be performed by Upper Division Clerks. Having had to devote our attention mainly to the working of the executive sections which deal directly with the public, we have not been able to find sufficient time for a detailed examination of the position in the ministeral sections, but from our observations we think that the objections which are, for example, being raised in the audit of bills of entry and shipping bills, and of the delays that are being caused thereby should decrease appreciably, and improve in quality, if the intelligent interpretation or application of the provisions of the Sea Customs and allied Acts, and other work which requires technical noting and drafting, was assigned to Upper Division Clerks only. We must also draw attention to the existence of a sense of grievance among the ministerial staff that the number of supervisory posts provided for them is proportionately smaller, as compared to the position, in this respect, in "sister" departments like the Income-tax, or the office of the Accountant-General. From the performance aspect, which, even in the clerical grades, is an important factor in the clearance and shipment of goods, we think it is necessary that the number of supervisory posts should be adequate to provide requisite guidance and ensure better output and quality of work

20. Disinclination to take decisions

We are constrained to add that, at most levels in the Customs Department, there is a noticeable disinclination in officers to assume responsibility for decisions which are within their competence. A case in point was brought to our notice where an excess of less than 0·2 per cent in the value of imported goods, licensed for Rs. 13 lakhs had to go up to the level of the Deputy Collector to be condoned, although it lay within the competence of the Principal Appraiser, to give this comparatively negligible relief. There is also a tendency among officers to prefer to give decisions against the parties, leaving it to the aggrieved to seek and obtain redress from appellate authorities. The very object of providing officers at different levels with appropriate gradation of powers, is thus being defeated, and the public are the sufferers from consequential delays, losses and other hardships. The causes of this malady, which is not confined to the Customs department, are well known to Government, and it is not necessary for us to discuss them in detail here. We feel it necessary to observe, however, that a sustained drive initiated from the top is essential in the Customs department, to establish confidence in the competence of subordinate officers, and a trust in their *bona fides* and integrity, in matters affecting their official duties. This is particularly important in the case of the Customs department, because its officers necessarily work under continuous and heavy pressures exerted by importers and exporters desiring expeditious clearance of their goods, and are, therefore, more exposed to mistakes made in good faith, than officers in the sister departments of Income-tax and Central Excise under the Central Board of Revenue.

21. Accommodation and office equipment

We have observed that physical congestion and over-crowding are the normal features in the major Custom Houses at present. Additional space and modern office facilities have not kept in step with the growth of activities, and the natural result is that clearing capacity and efficiency have suffered considerably through highly unsuitable physical conditions of work, which, in certain Custom Houses are positively appalling. It is a matter of prime importance that Appraisers, and Principal Appraisers, should be provided with space, furniture and other equipment, according to the requisite scales, to enable them to do their normal work, which includes continual contacts with the public and the inspection of samples of goods imported and to be exported. It is our suggestion that all Government departments unconnected with day to day Customs work, as well as those sections of a Custom House itself which deal with post-clearance processes such as the audit, should be removed from the Custom House, as soon as possible, and accommodated elsewhere, so as to release much needed extra space essential for the sections dealing directly with the public.

22. Maintenance of records and care of documents

There are many complaints about the lack of careful and methodical keeping of records and the handling of various documents and returns required from the public to clear their consignments. There is also a pressing need to introduce modern systems for maintaining regi[illegible]ers and the card-indexing of important data, such as analytical tests, w[illegible] to be continually recorded and referred to at short noti[illegible]

... mechanical methods for handling repetitive wor
and modern filing systems suitable for Custom Houses.

23. Directorate of Inspection: its functions

We have taken some pains to study the history and functions of th Directorate of Inspection, Customs and Central Excises, and a though that struck us was that, if this organization had actually functioned ac cording to its charter, the appointment of a Committee like ours woul perhaps not have been necessary. But the main point that we wish t draw attention to is that this organization appears to have concentrate its efforts in the direction of tightening revenue and other controls, an paid inadequate attention to relieving the public, of the unjustifie burdens of Customs procedures or to the provision of additional an necessary facilities. A typical example of this attitude is the time an labour spent on building up a needlessly cumbersome procedure for verify ing, for purposes of the drawback on Customs duty, the quantities o aviation spirit delivered to an aircraft, where no risk worth the name i involved to the revenue. We consider that the Directorate should develo that side of its activities which would assist the honest and reliable trader to secure prompt Customs release of their goods with the least possibl inconvenience. Also, for the same purpose, the Central Board of Revenu should utilize this agency as much as possible, to examine, and report on the points of view and grievances of the public regarding the quality o the services being provided by the Customs department.

24. Implementation of Committee's recommendations

We would here like to offer a suggestion for the consideration of Gov ernment, as to the manner in which such of our recommendations as may be accepted by them should be implemented. We think the Direc torate would be the organization best suited to undertake the task of ensuring that implementation in the various departments and sections of the Custom Houses, is fully secured, along the lines directed by Govern ment, and that no local departures or hesitations are permitted, at any time, to hold up urgently needed improvements.

25. Future Investigations

We conclude this Chapter on the Customs organization with the recommendation that all major aspects of Customs operations should be carefully reviewed at 10-year intervals to ensure that out-dated and inessential procedures are not allowed to continue, and that this important department moves with the times and makes its full and proper contribution to the development of the country's economy.

CHAPTER XXIX

SUMMARY OF MAIN RECOMMENDATIONS

1. TARIFF STRUCTURE—CHAPTER IV

IV.1.—As a first practical step towards the revision of the Tariff Schedule, footnotes to it, which are of a reasonably permanent character, should be incorporated in the schedule, and anomalies in rates of duty for similar categories of goods should be removed. (Paras 4 & 5).

IV.2.—The Customs Tariff should be thoroughly revised by aligning it closely with the Import Trade Control Licensing Schedule, and such alignment should be continuously maintained. (Paras. 6 & 7)

IV.3.—The "Indian Customs Tariff Guide" should be amplified, brought up-to-date, and published at intervals of not more than six months. (Para. 10)

IV.4.—"The Indian Customs Tariff Guide" should be replaced as soon as possible by an amplified edition of the "Alphabetical Index to the Standard Indian Trade Classification", showing against each item the corresponding tariff item. Explanatory notes should be appended in respect of items of doubtful classification. The amplified "Index" should be issued with the approval of the Central Board of Revenue. The correlations in the Index should be kept under constant review. (Paras. 11 to 18)

IV.5.—Cross-references to the Tariff should be inserted in the Import Trade Control Licensing Schedule, to assist in classification for import trade control purposes. (Paras. 21-22)

2. IMPLEMENTATION OF IMPORT TRADE CONTROL—CHAPTER V

V.1.—The Trade Control authorities should post an officer, preferably of the rank of Deputy Chief Controller, in each major Custom House to help resolve quickly any differences in interpretation of licences, and generally to act as a liaison between the Trade, the Customs and the Joint Chief Controller of Imports. (Para. 5)

V.2.—A list of cases of disputed licences should be sent daily to the Joint Chief Controller of Imports who should convey his advice to the Customs by the following day. Joint meetings of the Customs and Import Trade Control authorities should be convened, if necessary, at a fixed hour and venue, to discuss such cases, and the importer should have the right to ask for a reference to, and personal hearing at, such meetings. (Para. 9)

V.3.—The description on the licence should be as specific as possible. In the case of items falling under general descriptions, the major items intended to be imported should be specified on the licence, together, where necessary, with a residuary description. Publicity should be given to the availability of the facility of amendment of licence descriptions by the licensing authorities for inclusion of specific articles. (Para. 12)

valuation. Values as enhanced for assessment to duty should be deb only in cases of deliberate undervaluations, or where special relations exist between supplier and importer. (Paras. 15 to 19)

3. VALUATION FOR ASSESSMENT TO IMPORT DUTIES—CHAPTER VI

VI.1.—Section 30 of the Sea Customs Act should be amended to m the c.i.f. value the sole basis of *ad valorem* assessments. (Paras. 3 t

VI.2.—Detailed and clear instructions should be published regard the method of valuation under section 30 (b), in cases of special relat ship between seller and buyer; the possibility of fixing tariff values raw materials and semi-manufactured goods in such cases should examined. (Paras. 9 and 10)

VI.3.—Tariff values should be fixed for as large a range of com dities as possible; constant surveys and reviews of imported commodi should be undertaken for this purpose.

4. ASSESSMENT OF MIXED GOODS—CHAPTER VII

VII.1.—Each item in a composite set should be assessed separate Where the value of a single component is over 75 per cent, the ent set should be assessed at the rate applicable to that component. (Pa 4)

5. PROCESSING OF BILLS OF ENTRY—CHAPTER VIII

VIII.1.—Some positive action should be taken on each bill of ent in the appraising department within two to three hours of its fi presentation, and it should receive prompt attention at each sta thereafter. (Para. 2)

VIII.2.—"Second appraisement" should be the rule and the Princip Appraiser's approval should be obtained before resorting to "Fir appraisement". (Para. 3)

VIII.3.—Appraisers should sort out bills of entry at least twice a da to fix their priority for attention. (Para. 4)

VIII.4.—The specific documents that must be initially attached to bil of entry should be widely publicised. Any other documents, if require should be called for at one time. No second demand for such paper should be permitted without the Principal Appraiser's approval. (Para 5)

VIII.5.—Even if a bill of entry contains items pertaining to differen groups, it should be disposed of in the group responsible for the article carrying the highest value. (Para. 6)

VIII.6.—All pre-clearance processes, except preaudit and registration of licences, should be completed in the dealing group itself, its ministerial strength being suitably increased for the purpose, if required. (Para. 7)

VIII.7.—As a temporary relief measure, part of the work in an overloaded group should be farmed out to suitable appraisers working outside it. (Para. 8)

VIII.8.—Appraisers should be available to the public throughout th hours fixed for interviews. In the event of an extended discussion ove a certain case, the Principal Appraiser should make special arrangement for the disposal, without delay, of other bills of entry in his group (Para. 9)

VIII.9.—Any fee or fine leviable for the amendment of a bill of entry should be collected simultaneously with the customs duty. (Para. 10)

VIII.10.—The instructions that all Appraisers should be up-to-date in the maintenance of their references and records should be continually enforced by periodical checks by supervisory officers. (Para. 11)

VIII.11.—The cent per cent "double check" of Customs documents should be reduced to 10 to 20 per cent both in respect of the Principal Appraiser's and the Docks Supervising Appraiser's checks. The limit of Rs. 100, in duty, in respect of an Appraiser's powers to pass a bill of entry without the Principal Appraiser's verification, should be raised to Rs. 500. (Paras. 12 to 14)

VIII.12.—To speed up work, the Principal Appraiser should be delegated the authority to finalize many of the routine cases which only Assistant Collectors are empowered to decide at present. (Para. 17)

VIII.13.—To ensure efficient operation, Assistant Collectors should pay frequent visits to Appraising groups. (Para. 18)

VIII.14.—Where the Import General Manifest cannot be submitted in advance of a vessel's arrival, which happens frequently when the port of origin of a vessel's run is close to India, bills of entry should be accepted by the Appraising department, under orders of the Collector, for scrutiny and completion, leaving "noting" by the Import department to a later stage. (Paras. 19 to 21)

6. Examination of Cargo—Chapter IX

IX.1.—An examination centre, with a supervising Appraiser should be provided at each of the large and normally busy sheds. Otherwise, where sheds are close together, one examination centre, fully staffed, should cover two or three sheds; isolated sheds should each have one centre, supervised by a mobile appraiser. (Paras. 3 & 4)

IX.2.—Supervising officers should ensure that the busier centres are reinforced quickly by reserves of staff from less busy centres. (Para. 5)

IX.3.—Day-time working hours and lunch intervals at the examination centres should be the same for Port Trust and Customs staff at each port. Where uniformity is not practicable, Customs working hours should be 8 A.M. to 6 P.M. at these centres. (Para. 6)

IX.4.—All examination centres should be self-sufficient in equipment required for examination and weighments and should be provided with furniture, fans and such other amenities for both the public and the Customs staff. (Para. 7)

IX.5.—Where a specified package is not readily available for examination, the discretion already vested in the examining staff should be

liberally exercised, to examine an alternate package, or to allow part clearance. (Para. 8)

IX.6.—The Port Trust authorities should ensure that cargo is methodically stacked to avoid delays in Customs examination and clearance. (Para. 9)

IX.7.—Goods of standard quality, and imported regularly, should be enabled to be cleared quickly by adopting a reduced scale of examination, weighment or other checks. (Para. 10)

7. Analytical Tests—Chapter X

X.1.—Existing arrangements for Customs sampling and testing should be brought up, without delay, to international standards. (Para. 4)

X.2.—Where there are inadequate facilities with Customs for the testing of certain articles, analysis reports of recognized Indian or foreign agencies should be accepted. (Para. 7)

X.3.—Test procedures should be framed with due regard to trade interests, and urgent steps should be taken to remove existing deficiencies in Customs of qualified staff and equipment for sampling and testing of ores and other bulk commodities. (Para. 10)

X.4.—Private or public bonded warehouses should be provided for storing export cargo before sampling and testing. (Para. 11)

X.5.—Modern systems, like the card-index, should be introduced in each appraising group for maintenance of, and quick references to, test records. The Custom House laboratories should also maintain their own card-index references, so that any unnecessary requisition for test can be rejected. (Para. 14)

X.6.—Detailed analytical data recorded by the Customs laboratory should be made available to parties, and test results of established brands of goods should be treated as valid for a longer period than at present. The period of validity of goods of reputable makers should be at least twelve months, and clearance shipment allowed on production of a certified copy of a previous and valid test. (Para. 15)

X.7.—When adopting test standards, the utmost consideration should be given to a free and uninterrupted flow of legitimate trade. (Paras. 16 to 18)

X.8.—When disputes arise on test results, chemists representing each party should be afforded an opportunity to discuss the technical points involved. Samples should, at the option of, and on payment of a fee by, the party, be permitted to be re-tested by a recognized independent agency whose findings should be accepted. The bill of entry or shipping bill should be endorsed to the effect that a re-test would be admissible. (Paras. 19 & 20)

X.9.—In dealing with appeals against Customs tests, the existing procedure of consultations with recognized expert agencies other than the Chief Chemist, Central Revenues, should be more liberally adopted on request by the appellant. (Para. 21)

8. Detention of Goods—Chapter XI

XI.1.—In all cases of dispute, subject only to a few exceptions, as for example, where a deliberate fraud has been committed, only such portions of a consignment as are essential to safeguard the interests of the revenue or any regulatory provisions as may be involved, should be detained. (Paras. 3 to 5)

XI.2.—When delays in Customs clearance are due to factors outside the control of the owner, the Port Trust should remit demurrage charges in all cases on production of Customs detention certificates. Only an Assistant Collector should issue detention certificates in cases other than those in which the Port Trust accept such certificates at present. (Paras. 9 & 10)

XI.3.—As an alternative, the Customs should provide a departmental "detained goods warehouse" at each port for the safe storage of goods detained by them. Since it may not be possible for the Customs at major ports to undertake the custody of goods, such warehouse should be maintained for Customs by the Port Trust or some other responsible public body. (Paras. 11 to 13)

XI.4.—There should be the maximum possible uniformity in the calculating of the "free days" and rates for demurrage at the different ports. (Para. 14)

9. Bonds and Guarantees—Chapter XII

XII.1.—Bonds should generally be accepted without insisting on the surety from only a bank. When a bank's surety is indispensable, the amount of the guarantee should not exceed 20 per cent. of the amount of the bond. Witnessing of signatures of executants, by clearing agents, or under a bank's seal, sould be accepted. (Para. 2)

XII.2.—Bankers' guarantees should be cancelled within 30 days of the fulfilment of the terms of the bond. (Para. 3)

XII.3.—Personal appearance before Customs officers for the signing of bonds and guarantees should not be insisted upon. (Para. 1)

XII.4.—Continuing bonds should be accepted from established concerns to cover recurring types of import and export transactions. (Para. 5)

XII.5.—Forms for bonds intended to cover recurring types of cases, should be prescribed by the Central Board of Revenue, and published in the "Indian Sea Customs Manual". (Para. 6)

XII.6.—The financial liability to be covered by the bond should be calculated as precisely as possible and the amount shown in the text of the bond; an amount equal to the value of the goods should not be fixed as a matter of routine. (Para. 7)

XII.7.—The period of validity of a bond or a guarantee should e fixed at betwen six and twelve months in most routine ca

10. Bonded Warehousing—Chapter XIII

XIII.1.—Private bonded warehouses should be licensed withi municipal limits of a major port, as for example, to regular imp of industrial raw materials or other bulk commodities. (Paras. 1 &

XIII.2.—Bonded warehousing facilities should be provided at Customs Stations. (Para. 3)

XIII.3.—Provision should be made in airport development pla Customs bonded warehousing accommodation, and meanwhile, the bility of providing such accommodation in hangars or sheds shoul explored. (Para. 4)

XIII.4.—A public bonded warehouse is preferable to a numbe small private ones, at each major airport; special provision should be made for bonding cold storage and hazardous goods at such air (Para. 5)

XIII.5.—Bonded warehouse facilities, with trained Customs sta attendance, should be extended, wherever justified, to inland trade tres for goods sent in bond from Indian customs ports or stat (Paras. 6 to 8)

XIII.6.—Bonded goods should be permitted to be dealt with u the "second appraisement" system. (Para. 10)

XIII.7.—Relaxations already allowed by executive orders in co tion with Section 94 Sea Customs Act, for amending declaration bond bills of entry, after warehousing has been completed, shoul freely extended in deserving cases, and these relaxations should embodied in the Act itself. (Para. 11)

XIII.8.—Continuing bonds should be accepted from established regular importers for their warehousing operations. (Para. 12)

11. Foreign Post Parcels—Chapter XIV

XIV.1.—On parcels imported by post, no duty should be levied where the duty does not amount to more than Rs. 10/-, whatever value of the parcel, or (ii) where the values does not exc Rs. 25 (exclusive of postal charges), whatever the duty. The office charge should also have discretionary powers to waive duty cha and licence requirements in the case of certain used or other arti imported on *bona fide* personal account in excess of the prescri exemption limits. (Para. 4)

XIV.2.—Additional Foreign Post Offices should be established places where the headquarters of Collectors of Central Excise situated. (Para. 7)

XIV.3.—Rules and regulations concerning Foreign Post Offices sho be widely publicised in newspapers, and through appropriate brochu issued by the Postal Department. (Para. 8)

12. Government Stores—Chapter XV

XV.1.—The regulation regarding submission to Customs, of shipp and other documents, at the time of importation, which is rigidly plied in the case of the private sector, should apply with equal force Government organizations. (Para. 3)

XV.2.—If the existing "Note and pass" facility of submission of documents after clearance is to continue, it should be confined to stores imported for the sole use of Government's non-commercial departments; there is no justification for its extension to Government's industrial and commercial undertakings or public corporations. (Para. 5)

XV.3.—Where the "Note and Pass" system is permitted, a provisional debit for duty should be raised on the basis of available particulars. If the required documents are not furnished by the importing department within 3 months, the provisional debit should be confirmed. No relaxation of the time-limits under Sections 39 and 40 Sea Customs Act for recovery of short-levies or refund of excess levies, should be permitted. (Para. 6)

XV.4.—Much time and effort would be saved if the stores imported only for consumption in Government's non-commercial departments are exempted from payment of Customs duty. (Para. 7)

13. Exports—Chapter XVI

XVI.1.—An Export Trade Control unit, to deal with shipping bills for controlled goods, should be housed in each Custom House. (Para. 2)

XVI.2.—Shipping bills should be passed by the ministerial section or by the appraising unit, according to nature and/or value of goods, as is done at Bombay Custom House. (Para. 4)

XVI.3.—The existing facilities available on holidays for urgent Customs clearance of goods for export should be extended to Sundays and "closed" holidays also. Wide publicity should be given to these facilities, which should be made available at the minor ports also. Skeleton staff should be provided in all sections where it may be necessary. (Para. 5)

XVI.1.—Preventive Officers supervising ships which are loading should be called upon to assist in examining export cargo. Preventive Officers should be trained for this work. (Para. 6)

XVI.5.—The scale of examination, and other checks, of export cargo, should be reviewed periodically to ensure that they are not excessive and burdensome. (Para. 7)

XVI.6.—Formalities in connection with boat notes should be minimized, and handled only by experienced Customs staff. (Para. 8)

XVI.7.—The price at which export goods have been sold to purchasers abroad may differ from the value as established under Section 30 Sea Customs Act. Clear instructions should be issued on this aspect of export valuation. Specific duties or tariff valuations should replace *ad valorem* export duties, wherever possible. Where *ad valorem* duty is unavoidable, the f.o.b. price, as contracted under open market conditions, should be accepted. (Paras. 9 to 11)

XVI.8.—The abolition of export duties, with a view to earning more foreign exchange, would remove many procedural problems and delays. (Para. 12)

14. Drawback; Entrepot Trade—Chapter XVII

XVII.1.—Drawback of the full Customs duty recovered on import should be allowed in cases of re-export of commercial goods and personal articles in original condition. (Para. 3)

XVII.2.—Free replacements, under a warranty, of defective articles, which have been re-exported without drawback, should be exempted from duty. (Para. 4)

XVII.3.—An extension of the existing time-limit of 3 years, for re-export of imported goods under drawback, is not necessary. (Para. 5)

XVII.4.—Admissibility of drawback should be determined much in advance of actual export, if desired by an intending shipper. The Assistant Collector's routine approval in each case of shipment under a drawback claim, should not be necessary. The drawback shipping bill itself should be treated as a claim, and claims should be audited only after payment. (Para. 6)

XVII.5.—Drawback claims should be settled within three months. (Para. 7)

XVII.6.—The possibility should be explored, of reducing the period of six months now fixed for determining the rate of drawback on aviation spirit supplied to aircraft. Provision should also be made for these supplies to be made from bonded stock, maintained at the airports. Where this is not possible, the drawback procedure should be simplified. (Paras. 8 & 9)

XVII.7.—Drawback or bond facilities should be extended to goods imported by sea or air and re-exported by land, and *vice versa*. (Paras. 10 & 11)

XVII.8.—Creation of "free zones" at port premises, for manufacture of goods for re-export should be considered. (Para. 12)

15. Changes in Import and Export Duties—Chapter XVIII

XVIII.1.—The existing practice of applying changes in rates of duty, or tariff values, on and from the date of announcement, should continue. (Paras. 2 & 3)

XVIII.2.—The rate of duty applicable to warehoused goods should be the rate in force on the day the duty on the goods has actually been paid. (Para. 6)

16. Short and Excess levies of Customs Duties—Chapter XIX

XIX.1.—Notices of demand for payment of short-levies should be as clear and precise as possible regarding the amounts to be paid and the basis of calculation. When the assessment is qualified as provisional, the reasons for not accepting the declared value should be given. (Paras. 2 & 3)

XIX.2.—When demands are issued pending investigation, the Assistant Collector in charge of the Special Investigation Branch should satisfy himself regarding the justification for questioning import invoices and take various measures to ensure that no delay or inconvenience occur in finalizing disposal of such cases. Special branches for this pur-

pose should be set up in Custom Houses, where they do not exist and are justified. (Para. 5)

XIX.3.—A time-limit of six months should be fixed for the final disposal of such cases. On the expiry of this period, the Collector should give his decision on the material available on the file. (Para. 6)

XIX.4.—In all other types of cases of short-levy demands, the final demand should issue within a period of six months. (Para. 7)

XIX.5.—The Bombay pattern of the Appraising groups dealing with "current" refund claims, and a special and separate unit dealing with "arrears" should be adopted at the Custom Houses. Care should be taken to ensure that no new refund claims remain undecided beyond a limit of six months, and add to the "arrears". The groups dealing with "current" refund claims should also attend to relevant correspondence. (Paras. 8 to 10)

17. Tourists and Other Passengers—Chapter XX

XX.1.—The Customs procedures governing articles of high value, carried by tourists, should be simplified in consultation with the Tourist Promotion authorities. (Para. 2)

XX.2.—Where free allowances are specified by value, the limits should be replaced, subject to certain specified exceptions, by numbers or measures or weights. A list of articles ordinarily carried as personal effects by passengers should be drawn up for this purpose, and all other articles in the *bona fide* use of passengers, and brought in reasonable numbers, should also be exempted from duty. (Paras. 4 & 5)

XX.3.—The Customs staff required to work at airports should either be housed near their duty posts or transport should be supplied for them to meet all calls of duty. The supervising officers on baggage duty should be sufficiently experienced and adequately empowered to take decisions on the spot. When necessary, appraising staff should also be detailed for the clearance of baggage. (Para. 6)

XX.4.—Suitable physical arrangements should be made for both passengers and Customs staff at the baggage examination centres. (Para. 7)

XX.5.—The intensity and scales of examination of deck passengers' baggage, should be the same as those of saloon passengers. (Para. 8)

XX.6.—Unaccompanied baggage should be cleared under Baggage Declaration Forms with the assistance, when necessary, of appraising staff. (Para. 9)

XX.7.—If offending articles are found in a package in a passenger's baggage, these articles only should be detained, and not the entire package, unless the passenger is held to have attempted a deliberate act of smuggling. (Para. 10)

XX.8.—The routine body search of passengers wherever it is still carried out, should be discontinued forthwith. When a body search is deemed necessary, it should be entrusted to a responsible and considerate officer. (Para. 11)

XX.9.—Customs staff detailed for duty at points of entry and exit of passengers, should be selected with care and be well-trained. The existing system of paying rewards to staff for the detections of irregularities in the course of routine searches, should be abolished. (Para. 12)

18. PENAL PROCEEDINGS—CHAPTER XXI

XXI.1.—Penal action should not be taken in the case of *bona fide* mistakes, or where identical goods have been cleared previously without objection, or where goods have been shipped contrary to importer's instructions. (Para. 2)

XXI.2.—The Principal Appraiser and, in cases of baggage, the Chief Inspector or senior Preventive Officer, should have authority to issue "show cause" memos, without the previous approval of the Assistant Collector. Where the "accused" is willing to forego the "show cause" procedure, summary adjudication should be arranged. (Para. 3)

XXI.3.—Several measures are necessary to speed up the adjudication of penal proceedings; the main among them being the delegation of penal powers to the Principal Appraiser to adjudicate routine cases. (Para. 4)

XXI.4.—Orders imposing penalties, whether original or appellate, should state clearly the grounds on which decisions are based. (Para. 5)

XXI.5.—The right of "accused" parties to be heard and represented by legal or other expert advisers should be statutorily recognized. In urgent cases, personal hearings should be arranged on holidays. (Para. 6)

XXI.6.—There should be a separate Appeal Section, in each Custom House, to handle all appeals; no reference to the original adjudicating officer should be permitted. (Para. 7)

XXI.7.—The tribunal suggested by the Taxation Enquiry Commission for hearing revision petitions should be set up with the addition of a suitable representative of the trade as a third member. (Para. 9)

XXI.8.—There are serious delays in the passing of appellate and revisionary orders, which, it is understood, Government are taking steps to remedy. (Para. 10)

XXI.9.—Personal penalties imposed by "original" decisions, should not be enforced during the pendency of appeals. (Para. 11)

XXI.10.—Recourse to seizures of trade goods should be made (under Section 178A of the Sea Customs Act) only when an Assistant Collector is fully satisfied of the grounds for suspicion. A time limit of three months should be fixed for the Collector to dispose of the cases of such seizures, and a similar time limit should also be observed by the Central Board of Revenue in deciding appeals in these cases. (Para. 13)

19. STEAMER AGENTS—CHAPTER XXII

XXII.1.—Staff and launch facilities should be sufficient at the major ports for officers to board vessels within an hour of arrival. A special officer or officers should make a daily round of all vessels in the harbour for the issue of stores for use on board. (Para. 3).

XXII.2.—An adequate number of launches should be provided for
ustoms staff at the larger of the minor ports, to carry out boarding
ities of vessels in stream at least twice a day. (Para. 4)

XXII.3.—The practice of recovering "overtime" fees from steamer
agents for Customs supervision provided for the working of ships on
Sundays and public holidays, should be abolished. (Para. 6)

XXII.4.—Steamer agents should be compelled by law to submit
Import General Manifests in advance of arrival of ships except where
ports of origin are situated not beyond the Middle East and the East
Coast of Africa on one side, and the Malayan Peninsula on the other.
A scale of time-limits for this purpose for foreign ports or geographical
regions, depending upon distances from Indian ports, and the avail-
ability of airmail services, should be introduced. (Para. 7)

XXII.5.—The present practice of extending the time-limit of 24 hours
or coastal shipping to submit import manifests should be given statutory
inction. (Para. 8)

XXII.6.—There should be uniformity at all ports, based on the
mbay and Cochin practices, in the levy of fees for supplementary
manifests. (Para. 10)

XXII.7.—The maximum penalty of Rs. 500/- authorized under Section
167(17) Sea Customs Act, should not be imposed as a matter of routine
when manifested goods are not properly accounted for by steamer agents;
normally, unless the bona fides of the agents of the steamer company
are in doubt, the penalty should not exceed the actual duty involved.
(Para. 11)

XXII.8.—The time-limit of five days for filing the Export General
Manifest, prescribed in Section 66 Sea Customs Act, should be raised to
seven days. (Para. 12)

XXII.9.—Duty should not be recovered on the entire stores of a vessel
when it undertakes a temporary coastal run; it should be limited, by the
adoption of the necessary procedure, to the quantity necessary, and
issued, for such run. (Para. 13)

20. Air Traffic: Problems of Airlines—Chapter XXIII

XXIII.1.—It is not necessary, nor would it be useful, in the wider
interests of the trade, to have self-contained Customs Units at the inter-
national airports in India, at the present stage of development of these
airports. (Para. 4)

XXIII.2.—Bonded facilities at the airports should be extended and
since airline spares and stores are imported and kept in bond purely as
a temporary measure, and are not intended for internal consumption,
detailed assessment of them is unnecessary and should not be insisted
upon. (Para. 6)

XXIII.3.—Airline spares or stores should not be removed to the
Custom House, but should be attended to at the airport itself by the
airport Preventive staff, or, where necessary, by Appraisers. If the volume
of work justifies it, Appraisers should be posted permanently
port. Airlines should also be allowed to pay duty, or oth
he airport at their option. (Para. 8)

XXIII.4.—All Customs formalities in connection with the arrival departure of an aircraft should be completed at the airport itself, no overtime fees should be charged except for service provided dur transit stops of aircraft. (Para. 9)

XXIII.5.—In the case of aircrafts stopping in transit, Customs do mentation should be reduced to a simple application from the Airlin who should be bound by suitable guarantees for the observance of indispensable Customs documentary formalities, after departure of aircraft. Customs supervision should not be made a condition permitting supplies of engine parts, or essential operating equipment, waiting aircraft. (Para. 10)

21. Custom House Agents—Chapter XXIV

XXIV.1.—No major modifications appear necessary in the ter governing the qualifying examination for Custom House Agents or th employees as specified in the Rules made under Section 202 of the S *Customs Act.* (*Para.* 5)

XXIV.2.—The problems of "Muccadams" at Bombay could be met their merging with "Dalals" to form partnership concerns, and by lim ing the examination in their case to actual clearance or shipment pr cesses, which are directly handled by them. Modifying the Rules provide for a special "Muccadam's licence", valid only for the Custom operations which he is now conducting, should also be considere (Para. 6)

XXIV.3.—In implementing the Rule requiring a knowledge of Hind the case of areas where Hindi is not generally spoken should be take care of. (Para. 7)

XXIV.4.—Unless his complicity, or positive negligence, is proved, Custom House agent should not be held liable for any short, or non levied, or erroneously refunded duty, after the goods have been cleared from Customs. (Para. 8)

XXIV.5.—The condition prescribed in the Rules for the production of letters of employment by six parties, should not apply except at the time of renewal of an existing licence. At the time of renewal, no merely the number but also the volume of the business of clients should be the test of the full employment of an Agent. (Para. 9)

XXIV.6.—Generally, the arrangement proposed in the Rules is designed to secure the requisite, and uniform, standard for Custom House Agents, and adequately provides for both large and small concerns to be employed in this capacity. (Para. 10)

22. Customs Advisery Bodies—Chapter XXV

XXV.1.—A Customs Advisory Council should be set up at the Centre; the existing Customs Advisory Committees at the major ports should be reorganized. (Para. 1 & Part III)

XXV.2.—The membership of the local Committees and the Central Council should be limited to about a dozen and two dozen respectively. The ratio of non-officials to officials in each should not be less than 2:1, and special weightage should be given to those who come into close

and constant contact with Customs operations. Secretaries of Ministries concerned with Trade Control and Port Trust operations should try to attend the meetings of the Council. The Directorate of Inspection, Customs and Central Excises, should be associated with the meetings of the Committees as well as the Council. (Para. 2)

XXV.3.—The functions assigned to the Committees and the Council should serve to provide a cross-section of objective Public opinion on Customs operations. (Para. 3)

XXV.4.—The agenda of the local Committee meetings should be framed by inviting suggestions, and including matters on which the Collector thinks the Committee's advice would be useful. The proceedings of the meetings of the bodies should be followed up in a systematic manner both locally and by the Central Board of Revenue. Similar action is necessary in connection with the meetings of the Council. (Para. 4)

XXV.5.—The Committee should meet normally each month, and the Council once in six months, alternately at Delhi and at a major port. (Para. 5)

XXV.6.—Advisory Committees should also be set up for the minor ports and the important Land Customs Stations. (Para. 6)

23. Public Relations and Information Services—Chapter XXVI

XXVI.1.—Whenever tariff changes take place, the Customs should issue a circular, within 24 hours, containing the old and the new rates of duty in respect of each item affected, for easy reference by the public. (Para. 3)

XXVI.2.—The "Indian Sea Customs Manual" should be published every two years as statutorily prescribed, and consolidated correction lists to it issued at half-yearly intervals. (Para. 4)

XXVI.3.—Many of the rulings and instructions which now appear in the "departmental" manuals, and which are of concern to the public should be made available in the published manuals. (Para. 5)

XXVI.4.—Local Custom House standing orders should also be made available to the public in the form of quarterly publications. (Para. 6)

XXVI.5.—There should be a separate section at the headquarters of the Central Board of Revenue, as well as at each Custom House, for issuing up-to-date and comprehensive manuals and correction slips at stated intervals. At a major Custom House this section should be attached to the Public Relations Office. (Para. 7)

XXVI.6.—Any instructions from the Government or the Central Board of Revenue, which affect the trade, should be published in notice form within 24 hours. More, larger and neater notice-boards, placed at suitable points, should *inter alia* indicate the sources from which copies of such orders would be available. (Para. 8)

XXVI.7.—A section should be maintained at each Custom House for promptly issuing copies of notices and circulars to registered subscribers. (Para. 9)

[illegible] library, containing [illegible], should be established in each Public Relations Office where publications, books and literature would be available [illegible] to the public. [illegible] the public [illegible] should be [illegible] throughout the year. Para. [illegible]

[illegible]—Information [illegible] should be [illegible] [illegible] and [illegible] should indicate the [illegible]. Para. [illegible]

[illegible]—[illegible] the Public Relations Officer should be [illegible] with the Principal Appraiser's work. [illegible] Public Relations Officer. [illegible] Public Relations Officer [illegible] Paras. [illegible] and [illegible].

[illegible]—The Public Relations Officer should answer enquiries promptly [illegible] and helpfully. Para. [illegible]

[illegible] of Trade Control matters leading to the issue of [illegible] should be sought from the Trade Control organisation [illegible] between Customs and the Trade Control authorities should be [illegible] and as much given to publicity as possible. Para. [illegible]

[illegible]—In planning improvements in the Public Relations [illegible], other publicity organisations should be consulted and the views expressed in Advisory Committee meetings considered. Para. [illegible]

[illegible]—The Public Relations Officer should act in such a manner as to remove the popular impression that Customs procedure [illegible] and [illegible] are indispensable. Para. [illegible]

D. Other Important Problems—Chapter XXIV

1. Tariff and Trade Control Classifications

[illegible]—Classification of goods according to the tariff is not the importer's responsibility. Where it has been indicated on the bill of entry by the importer in good faith but is not accepted by the Customs, no penal action should be taken. Para. [illegible]

[illegible]—Clear directive should be given to the Customs and the Trade Control authorities to adhere to the normal criteria of commercial and ordinary use in classifying articles for assessment and trade control purposes. Para. [illegible]

[illegible]—The existing orders of Government that changes in established tariff and trade control classifications should not be made without Government's prior approval should be rigidly enforced. A reasonable notice should be given to the trade when any such changes are authorised. Para. [illegible]

XXVII.4.—A Classification Committee of expert officers should be up at the headquarters of the Central Board of Revenue, with Director of Inspection as Convener, for reaching quick and satisfact decisions in cases of doubtful or disputed classifications. (Para. 4)

XXVII.5.—There should be no rigidity of attitude in the classific tion of articles of "special design". (Para. 5)

XXVII.6.—The Central Board of Revenue and the Chief Controlle of Imports should issue a directive to ensure that separate classification is not made, of machine parts and accessories which have no special design, and are imported in reasonable quantities along with the equipment for which they are intended.

B. Valuation

XXVII.7.—The condition that a sole agent for any particular imported article must make 90% of imports of such article on his own account, in order to secure the benefit of duty exemption in respect of his commission from the suppliers should be withdrawn. (Para. 7)

XXVII.8.—The provisions in Sections 33, 34 and 34-A of the Sea Customs Act should be modified so as to allow consideration of claims on account of damage or deterioration without reference to the point of time at which the damage or deterioration took place. (Para. 8)

C. Provisional Assessment

XXVII.9.—When a provisional assessment is made, and a deposit is taken as security, no bond should be necessary; similarly, when a bond is furnished, no deposit should be demanded. Care should be taken to see that the amount of the bond or the deposit demanded is not more than what is reasonable in any particular case. There should be a speedier and simpler procedure for cancellation of bonds and adjustment of deposits. (Paras. 9 to 11)

D. Temporary Imports

XXVII.10.—Additional facilities are necessary for the clearance and reshipment of equipment and apparatus, which are imported temporarily by organizations of standing. (Para. 12)

XXVII.11.—Goods which are temporarily imported for display at Exhibitions, should not be subjected even to detailed assessment. (Para. 13)

E. Reimported Goods

XXVII.12.—The law should be amended to sanction the existing executive practice of allowing refund of export duty or cess, when reimportation takes place. (Para. 14)

XXVII.13.—The condition in Section 25 Sea Customs Act that there should be no change in the ownership of Indian goods, to enable them to duty-free reimportation should be withdrawn. Provision should also be made for the three-year time-limit laid down in that section for such reimportation, to be extended by the Central Government in appropriate cases. (Paras. 15 and 16)

XXVII.14.—The existing concession which entitles scientific instruments and machinery of foreign manufacture, reimported after repair, to be charged to duty only on the repair costs, should be extended to types of industrial goods of foreign manufacture. (Para. 17)

F. Payments of duties and other charges

XXVII.15.—Cheques drawn on scheduled banks and endorsed "good for payment" on the day of payment, should be accepted. If considered necessary, a portion of the goods may be detained pending encashment of the cheque. (Para. 18)

XXVII.16.—Debits to deposit accounts should not be made, when demand for short-levied duty is served, without the prior consent of the account-holder. (Para. 19)

XXVII.17.—The facility of paying minor charges through a system of Customs Revenue Stamps should be introduced in order to reduce the delay in making cash payments. (Para. 20)

G. Liaison with Port Commissioners

XXVII.18.—In order that the necessary degree of liaison between the Customs and the Port Trust authorities may be fully secured, meetings between them should be held regularly at agreed intervals. (Paras. 21 and 22)

H. Goods consigned to Diplomatic and U.N. Missions

XXVII.19.—In order to eliminate delays which occur in the delivery of freight and post parcels addressed to U.N. and Foreign Missions and their officers, certain measures are necessary. (Para. 23 and Para. [illegible])

XXVII.20.—U.N. specialized agencies and other recognised bodies importing goods entitled to exemption from duty under schemes approved by the Government of India, should be given the same facilities for clearance as are extended to non-commercial "Government stores" at any particular time. (Para. 24)

I. Air Freight

XXVII.21.—Special and entirely separate arrangements should be made for disposal of air freight bills of entry in the Cash and Accounts Department. (Para. 25)

XXVII.22.—Six clear "free days" should be allowed for the clearance of air freight from the Customs godown, counting from the date of despatch to the consignee of the intimation of arrival by the airline agents. (Para. 25)

J. Miscellaneous

XXVII.23.—Customs facilities such as bonded warehousing and transhipment of goods, provided at the minor ports should keep in step with the needs of developing ports. (Para. 27)

XXVII.24.—At each Custom House, panel of expert official and non-official advisers should be formed to advise on classification or valuation of specialized types of engineering or scientific goods. (Para. 28)

XXVII.25.—In the case of refunds of duty relating to short-la packages, six months should be allowed for the lodging of claims the date of issue of short-landing certificates by the Port Trust. (P 29 and 30)

XXVII.26.—Any tendency that exists to avoid reopening of as ments, where this has been permitted by Government, should be check (Para. 31)

XXVII.27.—In the case of goods which are shipped by mistake, have not been cleared by importers, and have, therefore, to be reshipp by banks or steamer agents, penalties should not be imposed except aft xamination of the merits in each case. (Para. 32)

XXVII.28.—Where emergency supplies are imported by a responsibl ganization, clearance should be immediately given at the airport itsel ler orders of the nearest gazetted officer against an undertaking to observe all customs formalities later. (Para. 33)

25. Organization—Chapter XXVIII

XXVIII.1.—Careful forward planning of the Customs set-up should be arranged and necessary facilities provided to cater for speedy clearance of increasing goods and passenger traffic on the scales visualised in approved development plans. (Para. 4)

XXVIII.2.—Some additional expenditure on expansions providing better service to the public and improving the working condition of the staff should be undertaken early. A part of this should be met by debiting the cost of agency services to the other Government departments on behalf of whom they are undertaken. (Para. 5)

XXVIII.3.—There should be adequate reserves, specially in the Appraising and Preventive departments to meet foreseeable emergencies. Para. 6)

XXVIII.4.—Preventive officers should be trained and employed for examination of export cargo. (Para. 7)

XXVIII.5.—Officers with specialized knowledge of scientific and engineering equipment should be periodically recruited in adequate numbers. Such officers should also receive practical training in industrial establishments to enable them to keep up-to-date. (Para. 8)

XXVIII.6.—There should be a larger number of "all-rounders" among the Preventive, Examining and Appraising staff to deal with varying situations, specially at the smaller stations. (Para. 9)

XXVIII.7.—Training centres should be established for Examining, Appraising and Preventive staff and all new entrants should receive training here. Refresher courses should also be a feature of such centres. A senior officers' course should also be provided for. (Paras. 10 and 11)

XXVIII.8.—Staff meetings with the Collector and other supervising officers should be encouraged to improve performance. (Para. 12)

XXVIII.9.—Much larger staff, fully-trained in Customs work is necessary for inland Customs stations and the minor ports. (Para. 13)

XXVIII.10.—Reorganizations within the Appraisers' cadres and consequential adjustments are suggested to improve overall efficiency. (Paras. 14 to 17)

XXVIII.11.—More facilities and conveniences, particularly in respect of residential accommodation and transport, should be provided. (Para. 18)

XXVIII.12.—Clerical work, connected with the Sea Customs or allied Acts, or technical noting and drafting, should be assigned to Upper Division Clerks. Office supervision should be increased to ensure better output and quality. (Para. 19)

XXVIII.13.—Modern systems for maintenance of records should be introduced. Experts should be consulted to get the best results. (Para. 22)

XXVIII.14.—The usefulness of the Directorate of Inspection should be developed. (Paras. 23 and 24)

XXVIII.15.—Major aspects of Customs operations should be reviewed at 10-year intervals. (Para. 25)

F. C. BADHWAR, Chairman
S. M. SHAH, Member.
E. J. BENJAMIN, Member.
W. SALDANHA, Member.

V. S. RAMASWAMY, Secretary.

31st October, 1958.

CHAPTER 1

INTRODUCTORY

1. Scope of Part

Part I of this report contains the Committee's findings and recommendations on the main lines of our terms of reference, but as a matter of convenience, we have assigned to this part our more detailed suggestions on procedural or other arrangements which require to be introduced in order to implement some of the recommendations which we have made. Between the two parts, we have covered the major problems presented to us and have indicated the steps which should be taken to deal with matters of purely local or detailed nature.

2. Summary of recommendations not appended

Because of the very detailed character of the recommendations made in the present part, we have not attempted to include a summary of the recommendations, at the end of the part.

3. Need for amendments of Statute

We are aware that some of the recommendations we have made in this Report would require appropriate amendments to the Sea Customs Act, and we recognize that it would take some time for these amendments to be enacted. We, therefore, suggest that, as an interim measure, such recommendations be adopted by appropriate executive instructions in partial relaxation of law. Government have already had recourse to this form of adaptation in order to keep in line with changes in shipping and trade practices subsequent to the passing of the Sea Customs Act in 1878. These adaptations are non-controversial, since they are always in favour of the affected interests.

CHAPTER II

PROCESSING OF BILLS OF ENTRY

1. Noting of bills of entry received at end of day

In Bombay, bills of entry received on any day until an hour before closing, are noted by the Import Department on the same day. We recommend the adoption of this practice at other Custom Houses as well. The Bombay practice itself would be further imporved, by admitting bills of entry up to the closing hour, so that the opening hour or two of the following morning (during which the work of noting is usually light) could be utilized to dispose of such bills of entry received during the last hour of the previous day.

2. Importance of marks and numbers and description of packages

Ordinarily, Customs examination is limited to a small percentage of the packages in a consignment, and the remainder are released, without examination, solely on verification of the marks and numbers appearing on the packages against shipping documents such as the import/export manifests of the vessels, bills of lading and invoices. This emphasizes the importance of such marks and numbers to Customs in the prevention of smuggling.

3. Discrepancies in marks and numbers

Discrepancies, however, frequently occur in the marks and numbers of packages as noted on the various connected documents. Similarly, the description of the goods contained in the packages, as declared for tariff classification on the bill of entry, may not readily appear to correspond to the brief description which is ordinarily entered on the bill of lading or the Import General Manifest. When such discrepancies are noticed, in the course of the Customs clearance of a consignment, the only safeguard to protect the interests of the revenue or the trade control, as the case may be, is to ensure that the goods released are the same as those described on the relative invoice, on which the Appraising Department's scrutiny is based. It follows, therefore, that appropriate action in respect of these discrepancies can only be taken after the Customs test examination has been completed. We, therefore, consider that whenever such discrepancies are found by the noters in the Import Department, they should bring them to the notice of the Appraising Department by a suitable endorsement on the bill of entry. It should then be left to the Appraising Department to determine whether the discrepancies are serious enough to require an amendment of the Import General Manifest. Delays in the processing of bills of entry now occur because the Import Department often handles this scrutiny at the stage of initial noting, when in fact it cannot be adequately carried out.

4. *Noting of bill of entry after transfer of Manifest to Manifest Clearance Department*

In some cases, bills of entry are not delivered in the Custom House by importers till long after the arrival of the vessel concerned and the transfer of the ship's Import General Manifest to the Manifest Clearance Department. In such cases, the present procedure for "noting" is for the Import Department to requisition the manifest formally from the Manifest Clearance Department, involving the loss of several days in the process. We recommend that arrangements should be made for noting the bills of entry in such cases in the Manifest Clearance Department itself.

5. Acceptance of non-negotiable documents

The processing of bills of entry should not be delayed merely because of an insistence on the production of negotiable documents passed through banks.

6. Priorities in processing

We have, in Part I, mentioned the necessity for Appraisers making an initial scrutiny of Bills of Entry with a view to ensuring that certain categories of goods receive prior attention. The Committee also consider that even within such special categories, a system of relative priorities should be observed depending upon the nature of the goods, particularly during spells of pressure of work. For this purpose, we have attempted the following classification; it is not intended to be exhaustive:

1. Dangerous and hazardous goods.
2. Perishable goods and food grains.
3. Cold storage goods.
4. Fragile goods.
5. Bulk consignments, *e.g.*, steel, machinery, chemicals, cotton.
6. Industrial raw materials.
7. Seasonal goods.
8. Personal (unaccompanied) baggage.

We would add that goods which have arrived must ordinarily be given precedence over those which have not, and the Principal Appraiser must be vested with the discretion to accord priority where he is satisfied of the existence of special urgency.

7. Statistical coding

Statistical coding of imported goods is now required to be done on lls of entry by importers. We find this is convenient both to the porter and the Customs. However, errors detected, if any, should corrected by the Customs coding staff, since it causes unnecessary ay to return the bill of entry to the importer for this purpose. Also, find that in some Custom Houses the coding staff is located in a ral section, while in others, each group has its own coding staff. We ur the latter system in the interests of speed and efficiency, because assistance of the group appraisers is often necessary for the correct g of the items dealt with in the group.

8. Bills of entry left unfinished by Appraisers going on leave

We have drawn attention in Part I to the need, generally, for adequate reserve of officers, but we wish to refer here, in particular, to the difficulties caused by delayed attention to bills of entry left unfinished by an Appraiser who reports sick or proceeds on leave. Such bills of entry should be promptly redistributed by the Principal Appraiser concerned, and should be given by the relieving officers the same priority which they would have received in the normal course. In cases where queries have been raised by an officer who subsequently goes on leave, and the relieving officer is unable to deal with such queries, the Principal Appraiser concerned should be made responsible to deal with them.

9. Transit of documents

It is observed that when bills of entry or shipping bills have to be referred by one department/section to another in the Custom House, delays occur in the transit of the documents. The Committee feel that in the absence of special reasons, these documents should be ordinarily handed over to the importers/exporters for presentation to the other department/section concerned.

10. Licences: Loss of original copy

Where an importer claims to have lost his licence and is, therefore, unable to produce it when the goods arrive, clearance of the goods is allowed on the importer executing a bond guaranteed by a bank, undertaking to produce a duplicate within a specified period. While this may be a necessary safeguard in the case of licences which have not been registered in a Custom House, we consider that where a licence has been so registered, an ordinary letter of guarantee executed by the importer should suffice.

11. Detention of licences; issue of subsidiary licences

There are complaints about import licences, particularly blanket licences, being detained in the licence registration section, sometimes for as long as a fortnight, thereby delaying clearance of fresh consignments covered by these licences, which have arrived in the meanwhile. These delays should be eliminated. Import Trade Control and Customs authorities should also provide more facilities than they at present do for the issue of subsidiary licences when necessary.

12. Telegraphic release orders

Where an import licence has been registered at a Custom House at a particular port, the release of shipments arriving at other ports is effected by means of telegraphic release orders issued by the Custom House to the other port. It has been represented that these advices are not acted upon by the receiving Custom House unless and until the postal copy in confirmation is received. Apart from the fact that this procedure defeats the very purpose of a telegraphic advice, we think that, as a routine precaution against fraud, the procedure is unnecessary because a telegraphic order from a Custom House could only be obtained through a "State" telegram which an outside party would not be able to despatch. No doubt, the postal copy should be sent with the least

possible delay, and should, on receipt, be checked with the original, but release should not be deferred until this has been done.

13. Staffing of groups

The Committee recognize that, however much it may be desirable, it is not possible to solely employ Appraisers on the work of processing of bills of entry. It is inevitable that a part of their time must be utilized on post-clearance and other matters, as for example, refund claims arising from their own original assessments, which require their technical knowledge. We invite attention to this position because this fact is often overlooked in evolving yardsticks for determining the staffing of Appraising groups.

14. Receipt and delivery "windows"

On an inspection of the arrangements for "windows" in the Appraising Department for receipt and delivery of bills of entry and shipping bills, we favour

(i) a receipt window for each group;

(ii) one or more delivery windows according to the volume of work, to be located side by side, for documents which have been passed;

(iii) a separate delivery window for documents which have not been passed.

15. New form for "Bill of Entry"

We have examined, in consultation with clearing agents, the new form of "Bill of Entry" which is proposed to be introduced, and we have also studied the reasons advanced by the Directorate of Inspection, Customs and Central Excises, in support of the new features incorporated in the form. Our recommendations (which, we understand, will be taken into consideration by Government before introducing the new form) are as follows:—

(i) A column has been provided in the new form, for a break-up of "value" to be recorded in the top left-hand corner of the form for showing the f.o.b. value, freight, insurance, c.i.f. value and the landing charges. We cannot see any useful purpose being served by insisting on this break-up in every case, and therefore, suggest that the column should be deleted.

(ii) Column No. 8 for "I.C.T. No." does not seem to be essential; if it is to be retained, it should appropriately appear immediately after column No. 5 for "description". The words "as defined in the" following the words "Real value" in column Nos. 6 and 7 should be substituted for "as per".

(iii) Immediately after "Real value" (Column Nos. 6 and 7), a fresh column entitled "Tariff value" should be introduced, together with two sub-columns entitled "Rate" and "Amount"; the existing column "Value on which duty is assessed" (Column Nos. 9 and 10) together with the sub-columns "Tariff rate" and "Amount" should be deleted.

(iv) Regarding the provision made for "Declarations" in the form, it is pertinent to observe that the law imposes an obligation upon the importer to declare the "real value" as defined in the Sea Customs Act, and to produce a valid import licence. Provision has been specifically made for both these on the form of the bill of entry. It is, therefore, our considered view that all that is really needed by way of a "declaration" from the importer or his agent on the bill of entry, is a simple statement to the effect that the particulars entered by him in the bill of entry are, to the best of his knowledge and belief, true and complete. Such a declaration would be common to all importers, and is, therefore, the only one suitable for record on the bill of entry itself. We, however, appreciate that, in a few cases, as for example, those in which there is a special relationship between the importer and the foreign supplier, Customs may require, certain other supporting declarations similar to those prescribed by the British or American Customs authorities. *We think these should appropriately* be obtained by separate documents, presented by the importer, or his agent, with the bill of entry. A note drawing the attention of the importer to the declarations which have been so prescribed, should be printed on the form of the bill of entry.

(v) Provision has been made on the reverse of the original copy of the form, for noting particulars of the import licence; it would be more appropriate for these important particulars to appear on the face of the bill of entry.

(vi) We suggest the addition of a note in a suitable place on the original copy of the form, setting out the names of the documents which must always be presented with the bill of entry. [Please *see* Part I, chapter VIII, paragraph 5].

(vii) A new column "Please produce invoices/indents/specifications/acceptance............" has been introduced on the reverse of the original copy. This should be substituted by one reading "Please produce the following additional documents..............". We suggest this because the existing column would give rise to a tendency on the part of an Appraiser to use the column somewhat mechanically, without applying his mind, for demanding documents which are not really necessary.

CHAPTER III

EXAMINATION OF CARGO

1. Disposal of minor irregularities in the docks

We deprecate the existing practice of returning bills of entry to the Custom House, when minor irregularities or discrepancies are detected, as for example, under the Merchandise Marks Act. This causes delays which should be avoided by investing the Principal Appraisers in the docks with the necessary powers to decide such cases on the spot.

2. Despatch of samples

At some ports, samples drawn for analytical tests are conveyed to the Custom House in all cases, in departmental charge. At Calcutta, the practice, except in special cases, is to seal the samples and hand them over to the party for being taken to the Custom House. We recommend that this procedure which saves much time, should be adopted at all ports.

3. Grant of "out of charge" order

An Appraiser who is required to supervise more than one examination centre, should give "out of charge" orders at each centre, and should not require bills of entry to be presented at his office for this purpose.

4. Examination of certain types of equipment

In the case of expensive, fragile or heavy equipment which cannot be properly repacked at the docks after Customs examination, facilities should be provided for the examination to be conducted outside the docks, under adequate safeguards, and where necessary, on payment of overtime fees.

5. Examination of bulk cargo

It has been suggested that Customs examination of bulk cargo such as steel structurals should be conducted on board the vessel before the goods are landed. This, it is stated, would enable consignees to have their individual consignments discharged directly into their own transport after clearance, and thereby would prevent the mixing of their consignments with others of a like kind, as now occurs. We recommend that this suggestion should be examined by the Custom House in consultation with the Port Trust authorities and steamer agents, and implemented, if found possible.

(iv) Regarding the provision made for "Declarations" in the form, it is pertinent to observe that the law imposes an obligation upon the importer to declare the "real value" as defined in the Sea Customs Act, and to produce a valid import licence. Provision has been specifically made for both these ou the form of the bill of entry. It is, therefore, our considered view that all that is really needed by way of a "declaration" from the importer or his agent on the bill of entry, is a simple statement to the effect that the particulars entered by him in the bill of entry are, to the best of his knowledge and belief, true and complete. Such a declaration would be common to all importers, and is, therefore, the only one suitable for record on the bill of entry itself. We, however, appreciate that, in a few cases, as for example, those in which there is a special relationship between the importer and the foreign supplier, Customs may require, certain other supporting declarations similar to those prescribed by the British or American Customs authorities. We think these should appropriately be obtained by separate documents, presented by the importer, or his agent, with the bill of entry. A note drawing the attention of the importer to the declarations which have been so prescribed, should be printed on the form of the bill of entry.

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An Appraiser who is required to supervise more than one examination centre, should give "out of charge" orders at each centre, and should not require bills of entry to be presented at his office for this purpose.

4. Examination of certain types of equipment

In the case of expensive, fragile or bulky equipment which cannot be properly repacked at the docks after Customs examination, facilities should be provided for the examination to be conducted outside the docks, under adequate safeguards, and where necessary, on payment of overtime fees.

Examination of bulk cargo

It has been suggested that Customs examination of bulk cargo such steel structurals should be conducted on board the vessel before the ds are landed. This, it is stated, would enable consignees to have r individual consignments discharged directly into their own trans- after clearance, and thereby would prevent the mixing of their gnments with others of a like kind, as now occurs. We recommend this suggestion should be examined by the Custom House in con- ion with the Port Trust authorities and steamer agents, and mented, if found possible.

6. Examination by experts

A good deal of inconvenience is now caused by requiring packages containing articles which need examination by an expert Appraiser of the Custom House, to be transported from the docks to the Custom House. The practice in the past, in such cases, used to be for the expert Appraisers to visit the docks at stated hours for the purpose of carrying at site the examination of such packages. This practice should be restored.

CHAPTER IV

BONDED WAREHOUSING

1. Escort for bonded goods

Insistence on an officer of the rank of Preventive Officer escorting goods transported between the docks and a bonded warehouse or the Custom House delays clearance from the docks. We find bonded goods subject to Central Excise duty move without any escort from place to place, and reliance is placed only on the covering documents for checking the description of the goods while in transit or at the warehouse. We, therefore, recommend the adoption of a similar practice in the Customs Department. If, however, supervision in transit is considered essential, Preventive sepoys should act as escorts where Preventive Officers are not readily available.

2. Physical warehousing pending completion of formalities

In Part I, we have made several suggestions intended to simplify and reduce the delays now caused by implementation of the basic procedures relating to bonded warehousing. We realize that even if these suggestions are put into effect, there would still remain cases where, because of fault of the importer, the completion of bonding formalities may delay the removal of goods from the docks for physical warehousing. In such cases, we recommend that physical warehousing should be permitted on a temporary receipt from the warehouse keeper to be exchanged for the ruglar bond warrant on completion of the formalities.

3. Re-warehousing delays

When warehoused goods are transferred from one port to a warehouse at another port, delays occur in the transmission of the transfer advice to the port of destination. Steps should be taken to ensure prompt despatch of these advices, and in order that inconvenience may not be caused by such delays as may occur, a certified copy of the advice should be given to the owner; on the production of this copy, the Customs at the port of destination should permit the goods to be physically warehoused, other formalities being completed on receipt of the original advice from the Customs at the port of removal.

Extension of warehousing period

Under Section 103 of the Sea Customs Act, a maximum period of 3 ... has been prescribed for holding goods in a bonded warehouse. ... executive relaxation of the provisions of this section, an extension ... period is granted by the Collector or the Central Board of Revenue, in deserving cases. Since such relaxations are being made ... rly, we consider it desirable that the power of relaxation of the ... bed period should be statutorily vested in the Collector or ...

Section 100 of the Sea Customs Act allows certain operations to be conducted by owners of goods in bonded warehouses. These, however, do not include demonstration of the working of machinery to prospective purchasers. We recommend that, wherever practicable, facilities for such demonstration should be given.

6. Storage of raw materials and manufactured goods

Under Section 100A of the Sea Customs Act, manufacture of certain articles is allowed in bond from raw materials on which duty has not been paid. It has been represented that in such cases, the raw materials and the finished goods are required to be stored in different premises. This restriction seems to be based on a highly technical interpretation of the provisions of sections 16 and 125 of the Sea Customs Act. The intention underlying this provision is clear, namely, that the manner of storage in bond should make it possible to distinguish the non-duty-paid goods by segregating them from others. We think this purpose can be effectively secured in cases of the kind mentioned above, by separate stacking of the raw materials and the finished goods within the same premises.

7. Deliveries of bonded oil

Oil stored in a bonded tank is normally made up of different consignments received at different times under different bonds. When supplies are made from such tanks to bunkers of vessels, it is not possible to quote on the shipping bill, the individual reference number of the bond, at the time of actual supply. This, however, is insisted on at certain ports, thereby causing delay in the fuelling of the vessel. At the port of Bombay, the bond numbers are entered in the shipping bill, only after the fuelling operation has been completed. We recommend that this procedure should be introduced at ports where it is not already followed.

CHAPTER V

FOREIGN POST PARCELS

1. Recommendations on major question

Part I contains our major recommendations concerning the treatment of foreign post parcels, as for example, the number of Foreign Post Offices which should be provided, the scale of free allowances allowed in the case of personal articles received by post, and the need for better publicity of the regulations concerning parcels received or despatched by post. In this chapter, we propose to deal with certain subsidiary arrangements which we consider necessary to further improve the efficiency of the Postal Appraising Units.

2. Advance receipt of despatch notes

In the case of post parcels despatched from the United Kingdom by sea, it is the practice to send on ahead, by air mail, the relative despatch notes and Customs declaration forms. This enables the Customs authorities to initiate assessment proceedings, and in some cases, to complete them, before the parcels arrive in India. We recommend that arrangements should be made through the International Postal Union for the same procedure to be adopted by other countries.

3. Intimation memos

The "Intimation memos" in use at the different Foreign Post Offices for informing the addressee of the arrival of a parcel, are not of a uniform pattern, and as they are not printed forms, they are also not always legible. We recommend that the form in use at Delhi should be adopted, with the following modifications, by all the Postal Appraising Units in India, and should be printed:—

(a) Addressees should be permitted to retain the intimation memo, on which it should be clearly indicated that, for purposes of subsequent correspondence, the number and date of the memo should be quoted.

(b) In order to facilitate ready identification of a parcel, the full particulars appearing on the Customs Declaration and other labels, including the sender's name and address, description and value, should be given on the intimation memo.

(c) The memo should inform the addressee whether his personal attendance is necessary or not, to obtain clearance of the parcel. If his attendance is necessary, then the memo should specify the date and time when he should call at the Post Office.

(d) The memo should be clear in its contents and should be politely worded even in cases where penal action is contemplated. This is particularly important in the case of

parcels addressed to private parties, some of whom receive unsolicited gifts, and are, therefore, unaware of the contents of the parcels.

4. "Counter system"

The "counter system" employed at Bombay and Calcutta which enables addressees to produce their documents, and to have their parcels examined and assessed, in person, should be introduced in all other Foreign Post Offices. A defect in the present system is that parcels are not always produced for assessment at the time the addressee presents himself. Where the addressee has been asked to attend, or has given at least 24 hours' notice of his intention to attend, on a particular date and at a particular time, the parcel should be obtained in advance from the postal authorities, and kept ready for production on such date and at such time, for assessment.

5. Unpacking and repacking of parcels

Several complaints concern the careless handling of parcels when opened for Customs. Where an addressee is present at the time of examination, the parcels should be repacked and sealed in his presence. Parcels containing delicate, precision or fragile or perishable articles should not ordinarily be opened except in the presence of the addressee. The post office should provide efficient packers and suitable packing materials when required, for which an extra charge could be made.

6. Value for assessment

It has been represented that importers have invariably to pay duty on the value declared on the Customs Declaration label affixed to the parcel, if such value happens to be higher than the value shown on the relative invoice. In such cases, if the importer's explanation of the difference is valid, assessment should be made on the invoice value.

7. Work outside office hours

Appraising work in the Foreign Post Offices is of three main types:—

(i) Scrutiny of "way bills" prepared by the Postal authorities, setting out the particulars of each parcel, for determining which items require Customs examination, and which do not.

(ii) Inspection of the letters and packet mail for selection for Customs examination.

(iii) Assessments made on the basis of Customs examination, and scrutiny of documents such as invoices and import licences, with the assistance of the addressee.

Until more space is made available at the existing Foreign Post Offices for accommodation of additional Appraising staff where this is necessary, we suggest that items of work specified at (i) and (ii) above, which do not require the addressee's personal attendance, should be attended to outside the normal office hours.

8. Loss of documents

There are many complaints about loss of documents at the Foreign Post Offices. At one such office, the practice is to place documents, after completion of assessment, in a tray leaving it to the addressees to recover

CHAPTER VI

EXPORTS

1. Payment of Port dues before submission of shipping bill

A practice has developed at certain ports, as for example, at Calcutta and Kozhikode, to refuse to entertain shipping bills unless the port dues have first been paid. These payments are not the concern of the Customs authorities and should not, therefore, be made a prior condition to processing of shipping bills in the Custom House. It is for the Port authorities to secure their own interests at the time the goods are being passed through the docks for shipment. It may be convenient both for them and the public, if arrangements are made at the Custom House itself for collection of Port dues.

2. Distribution of shipping bills for scrutiny

Another cause of delay is the length of the intervals for sorting and distributing shipping bills to the officers concerned; we recommend that this should be done at regular half-hourly intervals.

3. Coding of shipping bills

In order to avoid delay in the shipment of export cargo, we suggest that, as a normal rule, the coding of shipping bills for statistical purposes should be undertaken, after release of the shipment copy of the shipping bill to the exporter, from the particulars recorded on the original copy retained in the Custom House.

4. Scales of examination of export goods

Collectors should periodically review the scales of tolerances laid down in respect of discrepancies between the particulars of quantity declared on the shipping bill and those found on examination or weighment. This is necessary in order to ensure that the scales are equitable and reasonable, depending upon the nature of the article and the importance of the purpose for which examination or weighment is being carried out, as for example, levy of export duty at a high rate or a cess at a low rate, implementation of a free or a strict licensing policy:

5. Examination at exporters' godowns

In the case of urgent shipments, when space is not available in the port sheds, facilities should be provided for examination and weighment to be done at the exporters' godowns situated at the port, on payment of the prescribed fees. To prevent the risk of substitution, the packages should either be sealed with a Customs seal, or a Customs escort should be provided for the transport of the packages from the godowns to the jetties. This facility would be particularly useful at the larger of the minor ports such as Kozhikode.

6. Examination of export cargo during office hours

In view of the importance and emphasis placed on the expansion of exports, we deprecate a tendency among Examining Officers at Bombay to restrict examination of export cargo to the special shift hours in the mornings and evenings, outside normal office hours. We consider that export cargo should receive the same consideration as import cargo even during office hours, and if necessary, a separate set of staff should be detailed for this work. Also, as we have suggested in Part I, the services of Preventive Staff should be employed, when required.

7. Extension of time for short-shipment notices

Section 140 of the Sea Customs Act does not provide for the extension of the five-day period allowed for filing short-shipment notices. As this period is often inadequate in many deserving cases, and relaxation of the provision is made by Collectors, we consider the position should be regularized by vesting in Collectors the discretion to allow extension up to ten days, under the law.

8. Facilities for regular exporters

The Principal Appraiser concerned or the Superintendent, Export Department, as the case may be, should allow the following facilities, in urgent cases, to exporters who maintain deposit accounts with the Customs, subject to their furnishing an appropriate undertaking to protect the interests of revenue:

(i) To ship goods, pending a subsequent debit to their deposit account of duties or cesses found due;

(ii) if duty or cess has already been collected, to ship goods, pending a subsequent recovery of short-levy which may be detected at the time of Customs examination.

In the case of regular exporters who do not maintain deposit accounts with Customs, they should be permitted in a case of the description in (ii) above, to file a "post shipping bill" for payment of such extra duty s may be found due. Alternatively, necessary discretion should be vested n the Assistant Collector concerned to allow shipment after the exporter s been served with a demand notice for the extra duty to be paid after ipment. Arrangements should be made for the Examining Officers emselves to serve such notices immediately on completion of the stoms examination or weighment.

pecial facilities for certain export trades

t has been represented to us by tea interests at Calcutta that, in view e very large volume of tea exports from that port, a distinct and ontained section should be set up for the processing of shipping bills a consignments. We agree that in view of the importance of com- ies such as tea and jute in the export trade, special facilities and gements should be provided to ensure smooth and easy shipment signments of these commodities.

CHAPTER VII

TRANSHIPMENT

1. Transhipment Period

The present regulations require that goods intended for transhipment at any port should be shipped within two months of their arrival at such port. It has been represented to us that this period is not sufficient under present shipping conditions. We, therefore, suggest that the adequacy of the period should be reviewed in the light of the incidence and history of cases on record, in which an extension of the period became necessary. Furthermore, when an extension beyond one month is sought, Collectors are required to obtain the prior approval of the Central Board of Revenue. Since the facts are known to the Collector, and he is competent to judge their merits, we see no point in his referring cases of this kind to the Central Board of Revenue for its routine approval. We, therefore, recommend that the power of granting extension of the transhipment period should be vested in the Collector himself.

2. Approval of Transhipment permits

At some of the major ports, as for example, at Bombay, transhipment permits have to be approved by the Assistant Collector. Transhipment being a regular routine process, we recommend that the power of approving transhipment permits in normal cases should be delegated to the ministerial head of the import department; this has already been done at the port of Madras.

3. Collection of amendment and transhipment fees

When goods, not originally shown in the Import General Manifest as intended for transhipment, are allowed to be transhipped, an amendment fee is charged in addition to the transhipment fee. Delay is caused by the two fees being collected at two different stages, and we therefore, recommend that simultaneous collection of these fees should be arranged.

4. Part Transhipment

When packages covered by a transhipment permit are partly shipped, a fresh part transhipment permit cannot be obtained unless the Customs copy of the original permit is requisitioned from the manifest Clearance Department of the Custom House, for verification of the Preventive Officer's endorsement of the number of packages short-shipped. In order to eliminate the delay which this procedure involves, the Preventive Officer should endorse the shipper's copy of the original permit, with the number and particulars of the short-shipped packages, and this copy should be presented by the shipper to the Customs at the time a fresh transhipment permit for the short-shipped packages is required.

It has been represented that, because of the risk of contravention of the import control restrictions, over-carried cargo is subjected to severe scrutiny before retention on board or transhipment is allowed, even though the packages clearly bear marks indicating that they were intended for discharge at other ports. We consider that in the case of packages so marked the risk of the goods being taken for home consumption is remote and, therefore, retention of the packages or transhipment should be permitted. For this purpose, a list certified by the Chief Officer and the steamer agents should be called for, and checked with the manifest of the vessel for the ports actually concerned.

6. Refrigerated cargo

Due to the absence of cold storages within dock limits, refrigerated cargo intended for transhipment has to be carried to, and stored in, private cold storages in town, pending transhipment. Because this involves removal from Customs control, the operation is technically regarded as an importation and a reshipment, in bond, and all the warehousing formalities are insisted upon. We understand that, in Bombay, a guarantee from the steamer agents that the goods are to be transhipped is considered sufficient for this purpose, and we recommend the adoption of this practice at other ports also.

7. Transhipment of stores when pre-carrier and on-carrier are not together in port

Section 132 of the Sea Customs Act permits the transhipment of stores from one vessel to another without payment of duty, if the two vessels belong wholly or in part to the same owner, and both the vessels are in port together. Technically, when the two vessels are not together in port, and stores are to be transferred from one to the other, 'landing' from one vessel and 'shipping' on to the other vessel are considered to be technically involved. The procedure of transhipment is, therefore, not permitted, and the import/ export procedure has been prescribed. While the latter procedure is the much more elaborate of the two, this fact does not provide any special safeguard to the revenue or import/export controls. Transhipment itself is subject to Customs supervision, and even merchandise not originally manifested as for transhipment is sometimes allowed to be transhipped. We, therefore, recommend that the tranhipment procedure should be freely available to steamer agents for all transfers of stores from one vessel to another belonging to the same owners.

8. Transhipment of stores and crew's baggage when pre-carrier and on-carrier are together in port

Even when the two vessels belong to the same owners, and are in port the same time, transhipment of stores and crew's baggage from one the other is not permitted at some of the major ports, unless approate entries are first made in the Import General Manifest of the transring vessel, and a reshipment application is filed. At Bombay, howr, only an aplication for transhipment, and an escort by the Customs f, is required. We recommend that the Bombay practice should be owed in other ports as well. Any entries in the manifests of the two els which may become necessary can be made after the physical transas been carried out, and should not, therefore, hold up the transfer.

CHAPTER VIII

PRECIOUS, SEMI-PRECIOUS AND SYNTHETIC STONES; JEWELLERY: IMPORTS AND EXPORTS

1. Procedural handicaps

On the subject of export incentives, the particular case of the trade dealing in precious, semi-precious and synthetic stones and in jewellery deserves special consideration as it can make an appreciable contribution to our foreign exchange earnings. This trade is assisted by a special export promotion scheme, to import rough stones for re-export after cutting and finishing, and it has been represented to us that the purposes of the scheme are being vitiated by procedures relating to Postal, Customs and Import Trade Control regulations.

2. Imports of certain stones "on approval"

Certain categories of precious, semi-precious and synthetic stones are generally imported by parcel post on an arrangement of "approval or return". These stones are generally in the rough condition, and those approved are retained and cut and polished in India, and are then re-exported and sold to buyers abroad, either as finished stones or after setting in jewellery.

3. Procedure adopted

At the point of import, the Postal authorities insist on the addressee taking delivery of, or refusing, the entire parcel and they do not permit the addressee, while the parcel is in postal custody, to inspect the contents and to select the stones he would like to retain, and to repack and return the remainder. Likewise, the Customs on their part charge the full duty on the parcel and subsequently refund, as drawback, only seven-eighths of the duty paid in respect of the stones returned to the consignor. Moreover, the Customs debit the full value of the parcel to the import licence, and do not allow the value of the stones returned to be adjusted.

4. Procedure recommended

We consider these difficulties could be removed if the Customs permitted the addressees to inspect the contents of such parcels, as in bond. For this purpose, the following procedure is suggested:

(i) The inspection should take place in the presence of the Customs and Postal authorities.

(ii) Stones which are not approved should be repacked in the presence of the Customs authorities and mailed under their supervision to the consignor.

(iii) Duty should be assessed and recovered on the stones approved and retained.

(iv) The addressee should furnish the postal authorities with a clear receipt for the entire parcel as originally received.

(v) Only the value of the stones approved and retained should be debited to the import licence.

5. Exports: Examination

Our attention has been drawn to the fact that considerable inconvenience and delay is experienced by exporters because of an insistence on a cent. per cent. examination of finished stones which are subsequently exported. Since detailed specifications of the description, number and the weight of the stones are always furnished, we consider that a random check ought to suffice to arrive at a reasonably correct valuation. Contributing to this delay is also the fact that testing and weighing implements, such as weighing balances, eye-glasses, stone-holders and tongs, "Leveridge" m.m. gauges, weight estimators and Chelsea colon filters, are not available for the use of the Customs jewellery expert. We recommend that the expert's office should be equipped with all the necessary implements for a speedy and efficient inspection of stones.

6. Exports "on approval"

Difficulties are again encountered by exporters when they wish to export stones on an "approval or return" basis. We are told that because of the difficulty in identifying small stones with the consequent risk of substitution when unapproved stones are reimported, export certificates are not granted in respect of such stones, and rejected stones are subjected to import duty. We do not find sufficient justification for this attitude since the value factor is invariably checked both on export and re-import, and, therefore, there is no real incentive for either party to effect substitutions. Moreover, since different packets of stones contained in a parcel are approved or rejected as a whole, the description of the stones and their total weight in each packet, which are always checked, would afford a further safeguard against malpractices. We, therefore, recommend that export certificates should be issued for these stones, whatever their size and weight.

Services of jewellery expert

At some of the Foreign Post Offices, for example, Delhi, the jewellery expert has other duties to perform, because the work connected with jewellery does not keep him fully occupied. In order to avoid inconvenience to jewellers, it should be so arranged that his uninterrupted services available to them, by previous appointment.

CHAPTER IX

TOURISTS AND OTHER PASSENGERS

1. Need for supply of information

In order to facilitate the smooth and speedy clearance of tourists and other passengers through Customs, they should be provided, in advance, with clear and precise information about their obligations and the concessions to which they are entitled. We make the following recommendations to improve the existing arrangements in this connection.

2. Information service abroad

Indian embassies, consular offices and trade commissions abroad now provide information about Indian Customs regulations concerning passengers, but this is not always up-to-date, owing to the slow procedure adopted in keeping them advised of changes in the regulations. We consider this situation could be rectified if the Central Board of Revenue and Collectors of Customs placed our representatives abroad on their direct distribution list in respect of information of interest to the public. In this connection, it may not suffice to merely mail copies of rules and notifications as these may require more detailed clarification which should be provided in a covering letter.

3. Baggage forms

The baggage declaration forms in use in India are convenient because they set out the essential Customs requirements to be observed by passengers, and also specify dutiable articles with columns for entering the value and the duty against each article. We, however, find that baggage and currency forms in use at all points of entry and exit are not uniform. These forms should be standardized and used at all such points, and should be reprinted immediately important changes are made in the baggage or currency regulations.

4. Supply of baggage and currency forms on board vessels

Saloon passengers arriving by sea from European and American ports are furnished with Indian Customs baggage and currency declaration forms by the purser of the vessel, before the vessel arrives at port. This enables the passengers to complete the forms conveniently before landing, and thus to clear their baggage speedily. We recommend that this facility should be provided to saloon passengers arriving by sea from all other ports. For this purpose, all steamer agents, who operate regular passenger lines to India, should be kept supplied by Customs, with baggage and currency declaration forms. In the case of passengers arriving by air, we understand no such difficulties are felt because such forms as are prescribed for air passengers are made available to them on board the aircraft before arrival .

... Export baggage forms

There are apparently no distinct export baggage forms in existence at present. We consider distinct forms, with the necessary instructions printed on them, should be provided, and made available in the Customs baggage centres as well as through shipping and travel agents so that they could be issued to passengers at the time they purchase their tickets.

6. Unaccompanied baggage

Passengers arriving by sea are provided with information on the baggage form, regarding the procedure for clearance of unaccompanied baggage. Passengers by air experience some difficulty in this matter because they make oral declarations, and do not use baggage forms. To assist them, at some airports, passengers are notified by means of prominent notices about the rules governing unaccompanied baggage, and about the fact that they should declare such baggage to the Baggage Officer in order to secure a "landing certificate" which would enable them to avail of the baggage concessions when the unaccompanied baggage actually arrives. Nevertheless, many cases have occurred where air passengers, through oversight, have failed to make the necessary declaration, and in their interests, it has even been suggested that the facility of making oral declarations should be withdrawn. Whilst we do not advocate such a change, we do suggest that the regulations governing unaccompanied baggage, and baggage in general, should be circulated to the passengers on board the aircraft through the airline agents in the form of a leaflet, or as part of the airlines' own advertising literature, before the arrival of the aircraft in India. While it would be the responsibility of the Customs to ensure prompt and efficient distribution of such leaflets to the airline agents, the success of the scheme must obviously depend upon the co-operation of the airlines themselves. Passengers should also be warned of the need for landing certificates in respect of unaccompanied baggage, by announcements over the airport public address system, while the baggage examination is in progress.

. Export Certificates

Some outgoing passengers are not aware that export certificates should taken for articles which they intend to bring back to India. Baggage ms should contain a boldly printed direction about the availability the facility. A similar notification should appear prominently on the ice-boards in the Customs baggage enclosures.

ssistance counter

nquiry counters, adequately equipped and staffed, should be set up e Customs enclosures for the purpose of providing information and nce to passengers about Customs matters. Attention should be to the existence of this counter, on the baggage declaration

dbook on baggage procedure

amphlet on baggage procedure should be available on payment e Public Relations Officers in the Custom House, Government ots, passport offices and similar offices dealing with passengers. sengers, particularly those arriving on a transfer of residence

from the African and Far Eastern Ports, require information at the point of embarkation regarding Indian Customs baggage procedure; necessary arrangements should be made for this purpose.

10. Display of Baggage Rules

The baggage rules must, of course, be posted on notice-boards at all Customs Examination enclosures.

11. Baggage slips for air-passengers

There are other respects in which the efficiency of the process of clearance of tourists and other passengers could be improved. The practice at some of the airports for Baggage Officers to make a record of the passengers cleared, by filling in a "Baggage slip" in respect of each passenger, with particulars such as his name, nationality and country of departure, causes avoidable delay. Some of these particulars are available on the passenger list of which a copy is invariably supplied to the Customs by the air companies. Other details, where necessary, would be recorded on the appropriate form concerning unaccompanied baggage, or duty payments, as the case may be. We, therefore, recommend that "Baggage slips" should be abolished except in individual cases where, for special reasons, a fuller record is considered necessary.

12. Separate officers for appraisement and assessement

When a passenger has dutiable articles, the officer conducting the examination is required, at some ports, also to undertake the appraisement and assessment of the articles. The procedure proves inconvenient both to such a passenger and to other passengers. Assessment duties should be assigned to officers who are not engaged on examination. This would enable both the work of examination and assessment to proceed side by side, without interruption of one by the other.

13. Transfer of residence

Passengers arriving on a transfer of residence to this country are entitled to special baggage allowances. If the baggage accompanies the passenger, then he is required to sign a declaration confirming transfer of residence, before an officer of Customs. If the baggage follows the passenger, the declaration has to be made before a Justice of the Peace or a Magistrate. While this is no doubt intended to save the passenger the inconvenience of having to make a journey to the Custom House when the baggage arrives, it has also proved inconvenient for him to have to appear before a Magistrate or a Justice of the Peace for this purpose. Since the object is to secure attestation of the passenger's signature, this could be done by the passenger's clearing agent or travel agent, or by his employer in India, with much less inconvenience and with equal protection to the revenue or the trade controls.

14. "Rummaging" of passengers' baggage

It is stated that "rummaging" officers, that is to say, officers of the anti-smuggling squad, undertake as a matter of routine, random checks of passengers' baggage which has already been examined and passed. This check is sometimes made after the baggage has been removed from the examination counter, and in the case of an outgoing passenger, even after it has been placed on board the vessel. Such checks naturally give

rise to a suggestion that the passenger's *bona fide* are suspected. We consider that counter-checks of this kind should not be a routine practice, and should be made only when they appear unavoidable for verifying information, received by intelligence, of an attempt at smuggling. Also, such checks should be carried out immediately after the original examination has been completed, and before the baggage is removed from the examination counters.

15. Provision for various operations at the same counter

It should be arranged that passengers who are required to comply with several formalities such as assessment, payment of duty, payment of Port. Trust fees, obtaining a gun licence or liquor permit, should be enabled to do so at various "windows" situated side by side on the same counter.

16. W. T. 123 forms

Inconvenience is sometimes caused to passengers by the non-issue of W.T. 123 forms for obtaining a licence for wireless receiving sets from the Post Office, or where such forms are issued, by the absence of written evidence to confirm that the form has been despatched. We suggest these forms should be prepared in duplicate, and the duplicate copy handed over to the owner for presentation at the post office.

17. Deck passengers: minor ports

We have not been able to inspect, personally, the clearance of passengers at the minor ports such as Bedi Bunder and Porbander, where large number of passengers, mostly of the working class, disembark from African or other steamers. But our conversations with senior Customs officers who have witnessed the Customs operations confirm the complaints we have received of the hardships endured by these passengers by long-drawn-out baggage examination procedures, and unsympathetic treatment by the Customs staff. We have already drawn attention in Part I to the need for reduction of the scales of routine baggage examination of deck passengers, and for employment of a sufficient number of specially qualified officers on baggage duties. We have also urged a change in the approach which regards baggage as a source of revenue, and leads officers to undertake intensive and meticulous examination of baggage as a routine, regardless of the amount of inconvenience thereby caused to passengers. We would add that these considerations are particularly applicable to the minor ports, where junior Central Excise officers are engaged on baggage duties. Adequate arrangements should also be made for deck passengers' baggage to be simultaneously examined with the baggage of saloon passengers.

18. Unaccompanied baggage: procedure for clearance

We have recommended in Part I that unaccompanied baggage should receive the same treatment as accompanied baggage, and passed on baggage declaration forms, and not as at present, on bills of entry. There are, however, certain other facilities which we consider should be extended in this matter to passengers, namely,

(i) Unless the passenger or his agents desire otherwise, unaccompanied baggage should be allowed clearance f the

port of the docks, without first being brought to the Custom House. For this purpose, it has been recommended in Part I that such baggage should be held at the airport bonded warehouses. If necessary, it should also be sealed by the Customs, pending clearance.

(ii) Unaccompanied baggage should be permitted to be cleared on Sundays and public holidays.

(iii) We understand that examination outside office hours on payment of fees is insisted upon in all cases of unaccompanied baggage if the number of packages exceeds three. We think that examination during office hours should not be denied, unless the packages are large and contain a variety of dutiable articles.

(iv) Where a detailed list of articles is available for each package, examination should be restricted to a small percentage of the packages, unless such examination reveals serious discrepancies.

(v) It should not be necessary to insist on itemization on baggage forms, of articles contained in baggage, other than those which are subjected to duty because they fall outside the free allowances.

(vi) If Appraising Officers are required for the assessment of unaccompanied baggage, their services should be made available promptly on request.

(vii) A period of two months reckoned before or after the arrival of passengers is at present prescribed for the arrival of unaccompanied baggage for entitlement to the free allowances. Experience indicates that this period is insufficient under present-day shipping conditions; it should be extended to four months.

(viii) The Central Board of Revenue should delegate to Collectors who are directly apprised of the facts, and are competent to judge the merits of each case, the power to extend the period of four months referred to in (vii) above.

19. Baggage of crews

Crews of vessels, particularly of oil tankers, are experiencing difficulties in obtaining Customs clearance of their baggage at Cochin. Customs clearance is given at Fort Cochin which is situated at a distance of 2½ miles from the steamer berths. We recommend that arrangements should be made to give clearance at the steamer berths themselves, or at a more convenient place than Fort Cochin. Also, when a foreign-going vessel lays off crew for repatriation by another foreign-going vessel, no facilities are provided for retaining the baggage in Customs bond without detailed assessment. We suggest that the baggage should be held as for transhipment, on the master or the agents of the vessel furnishing a certified list of the contents.

20. Deposit of packages of temporary or transit passengers

Similarly, when temporary visitors to the country, or transit passengers, do not require a part of their baggage for use during their stay in the country, facilities should be afforded, at all sea and airports, for such baggage to be deposited in bond, without detailed assessment.

21. Drawback of duty on articles of baggage

Arrangements exist at the major seaports for cash drawbacks to be paid, at the time of embarkation, to a passenger in respect of personal articles re-exported as baggage. This facility should be made available at all other seaports as well as the airports. Where reasonable notice is given, payment of such drawbacks should be arranged not only at the port where the duty was originally paid, but also at any other port, on production of the official receipt issued at the time payment was made. Furthermore, since such drawbacks can only be paid immediately before embarkation, and since the amount of rupee currency which can be taken out of India is limited, it is necessary, in these cases, either to relax the Exchange Control restrictions in respect of the amount of rupees paid as drawback, or to provide the means for ready conversion of the amount into travellers' cheques. We do not think that the Exchange Control authorities would have any serious objection to the first alternative since such cases are few, and the sums involved, small.

22. Treatment of minor irregularities

In a number of cases, where minor irregularities are discovered on baggage examination, unjustifiable inconvenience is caused by resort to penal proceedings. We consider that nothing more than recovery of the duty payable is really called for in such cases.

23. Repatriation of jewellery and prohibited articles

Where the *bona fides* of a passenger are not seriously in question, they should be permitted to repatriate, without penalty, prohibited articles such as jewellery in excess of permissible limits which they may be carrying. Likewise, should a passenger wish to abandon a prohibited article, it should be forfeited without a personal penalty.

24. Through passengers for or to Karachi via Bombay

Steamers *ex*-Karachi bound for Bombay and ports south of Bombay, halt at Bombay for about 24 hours. Similarly, through steamers bound for Karachi plying in the opposite direction remain in Bombay for about 48 hours. In either case, the Customs examination of all passengers *ex*-Karachi, or bound for Karachi, as the case may be, takes place at Bombay. But because of the length of the halt which the steamers make at Bombay, Customs do not permit the baggage of through passengers *ex*-Karachi to be kept back on board the ship, after the Customs examination has been completed in the shed; similarly, in the case of through passengers for Karachi, baggage is not allowed to be retained on board until the baggage examination is due on the day of sailing for Karachi. These restrictions cause considerable inconvenience to the passengers apart from expense to them on account of, hotel accommodation, porterage and transport. As we are unable to see how anti-smuggling measures are assisted by these restrictions, we recommend their discontinuance. We think that anti-smuggling surveillance, if required, should be enforced by other methods.

25. Equipment of Customs enclosures

We have referred in Part I to the inadequacy of the physical arrangements and amenities provided at some of the various baggage

airport or the docks, without first being brought to the Custom House. For this purpose, it has been recommended in Part I that such baggage should be held at the airport bonded warehouses. If necessary, it should also be sealed by the Customs, pending clearance.

(ii) Unaccompanied baggage should be permitted to be cleared on Sundays and public holidays.

(iii) We understand that examination outside office hours on payment of fees is insisted upon in all cases of unaccompanied baggage if the number of packages exceeds three. We think that examination during office hours should not be denied, unless the packages are large and contain a variety of dutiable articles.

(iv) Where a detailed list of articles is available for each package, examination should be restricted to a small percentage of the packages, unless such examination reveals serious discrepancies.

(v) It should not be necessary to insist on itemization on baggage forms, of articles contained in baggage, other than those which are subjected to duty because they fall outside the free allowances.

(vi) If Appraising Officers are required for the assessment of unaccompanied baggage, their services should be made available promptly on request.

(vii) A period of two months reckoned before or after the arrival of passengers is at present prescribed for the arrival of unaccompanied baggage for entitlement to the free allowances. Experience indicates that this period is insufficient under present-day shipping conditions; it should be extended to four months.

(viii) The Central Board of Revenue should delegate to Collectors who are directly apprised of the facts, and are competent to judge the merits of each case, the power to extend the period of four months referred to in (vii) above.

19. Baggage of crews

Crews of vessels, particularly of oil tankers, are experiencing difficulties in obtaining Customs clearance of their baggage at Cochin. Customs clearance is given at Fort Cochin which is situated at a distance of $2\frac{1}{2}$ miles from the steamer berths. We recommend that arrangements should be made to give clearance at the steamer berths themselves, or at a more convenient place than Fort Cochin. Also, when a foreign-going vessel lays off crew for repatriation by another foreign-going vessel, no facilities are provided for retaining the baggage in Customs bond without detailed assessment. We suggest that the baggage should be held as for transhipment, on the master or the agents of the vessel furnishing a certified list of the contents.

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25. Equipment of Customs enclosures

We have referred in Part I to the inadequacy of the phy ents and amenities provided at some of the va

examination centres. Here we would like to mention some of the deficiencies in more detail:

(a) Inadequate space, and insufficient examination counters, "windows" and stand-up writing desks.

(b) Insufficient number of channels for the free movement of passengers arriving or departing, particularly at peak hours.

(c) Absence of a mechanised system for movement of baggage.

(d) No adequate arrangements for personal searches and for examination of crews.

(e) Insufficient seating accommodation, lighting, ventilation, and airconditioning and lack of adequate provision of light refreshments.

(f) Inadequate space and equipment in waiting-rooms.

(g) Lack of adequate and clean arrangements for storing bonded baggage and personal effects.

We recommend that everything possible should be done to remove these shortcomings as soon as possible, particular care being taken to ensure that provision is made for all necessary facilities, designed on modern lines, in the development plans for each port or Customs station.

CHAPTER X

Steamer Agents

1. Submission of stores list with import manifest

The manifest which a vessel has to lodge with the Customs on arrival must, according to Section 55 of the Sea Customs Act, set out, among other details, a list of its stores for use on board. In certain ports, this requirement is strictly insisted upon and a stores list, duly checked by a Preventive Officer, is demanded before the manifest is admitted in the Import Department. Since the cargo section of the manifest has nothing in common with the stores list, insistence on the observance of this technicality causes delay in the clearance of cargo. We, therefore, recommend that the Import Department should accept Import General Manifests without stores-lists; the Preventive Department is, in any case, responsible for the stores lists, and the list should be deemed to have been duly delivered to Customs along with the manifest, when it is handed over to the Boarding Officer. Also, the Preventive Officer should himself lodge the certified copy in the Import Department, and not require the steamer agents to do so.

2. Declaration of cargo intended for other ports

Import General Manifests are also required to specify "all goods taken on to another port". This provision is somewhat literally interpretted at certain ports. A separate declaration from the master or agents of the vessel is taken in any case, of materials which have a security aspect or, as in the case of narcotics, are internationally controlled. A routine demand should not, therefore, be made for detailed particulars of any other cargo retained on board for other ports, beyond the total number of packages for each such port, and the names of the ports where they were loaded. In the case of aircraft arriving and departing on the same through flight without landing any freight, the filing of manifests or stores lists is not necessary, but Customs may demand inspection of these documents for a scrutiny of the types of materials mentioned above.

3. Copy of import manifest for Port Trust

The Port Trust require a copy of the Import General Manifest for delivery of cargo to importers. At present, this copy is sent to them through the Customs. This procedure causes delay in deliveries, and we, therefore, recommend that the copy for the Port Trust should be delivered to them direct by the steamer agents.

4. Transmission of amendments to import manifest to Port Trust

When amendments have to be made in the Import General Manifest two copies of such amendments are required to be filed at the Custom House, one of which is intended for transmission to the Port Commissioners signifying acceptance by the Customs. This latter copy sometimes does not reach Port Trust/Commissioners for a week, thereby causin

delays in clearance of some of the consignments affected by the amendments. This delay would be avoided if these copies are either sent to the Port Commissioners daily or, where they relate to individual items, are handed over to the consignees for delivery to the Port Commissioners. No risk to the revenue or trade controls would be incurred in adopting this procedure, because deliveries cannot be made except in accordance with the particulars of the packages as noted and accepted by Customs on the relative bills of entry.

5. "Prior entry": supplementary manifests

In connection with the levy of amendment fees for lodging supplementary manifests in cases where the original manifests have been filed under the "prior entry" system, we have, in Part I, favoured the adoption at all the ports, of a uniform procedure based on the Bombay and Cochin practices. This procedure is outlined below:—

(i) No amendment fees should be charged if the supplementary manifest is filed within 24 hours of the arrival of the vessel, and pertains to—

(a) a port of origin not covered by the original manifest;

(b) a port covered by the original manifest, but the number of supplementary items does not exceed 10% of the number entered in the original manifest.

(ii) Supplementary items not entitled to the foregoing exemptions should be charged for at Re. 1/- per entry, except in special circumstances where an appropriate consolidated fee is held by the Assistant Collector concerned, to be justified.

6. Treatment of ships stores: present procedure

We have pointed out in Part I, that the procedure relating to the treatment of the stores of a vessel which has arrived from a foreign port, and is diverted to a coastal run in Indian territorial waters, needs to be simplified. At present, at Bombay, an inventory of the stores is first prepared by the steamer agents, checked by a Preventive Officer, and, thereafter, the steamer agents file a bill of entry for the stores, which is assessed in the Appraising Department. In the inventory, no values are stated for the individual items. These are only declared in the bill of entry, and the description, quantity and value as shown in it, are accepted in the Appraising Department, and assessment is completed. The steamer agents themselves take a considerable time to lodge the bill of entry, and further delay is caused in assessment of the various items by the Appraising Department.

7. Procedure recommended

We recommend that the present procedure should be simplified as follows:—

(i) The steamer agent's inventory should show not only the quantity but also the value of each item in the initial stage of the presentation of the inventory. In fact, that is the only stage at which the value can be determined.

(2) The inventory itself should be treated as the bill of entry; alternatively, if a bill of entry form is considered essential, the inventory should be initially drawn up on the bill of entry form itself.

(3) The Preventive Officer who checks the inventory should himself make the assessment, particularly as he is in a position to check the value, if necessary. Normally, no expert assessment requiring the services of a specialist officer would be necessary for this purpose. Preventive Officers are considered competent to assess baggage, and we see no reason why they should not also undertake the assessment of ships' stores which, like baggage, comprise mainly miscellaneous items. A preventive Officer is in fact in a better position to make the assessment than the Appraiser who does it now, as he sees and checks the stores, which the Appraiser does not. If expert appraisement is needed in respect of any particular items, the assistance of the Appraising Department is always available to the Preventive Department, as in the case of baggage.

(4) If the steamer agents certify that a vessel diverted from foreign to coastal trade is to re-enter the foreign trade within one month, one of the two procedures set out below should be followed.

I. (i) An inventory of the dutiable stores should be drawn up by the Boarding Officer in the manner set out above, at the port at which the steamer commences the coastal run. But no duty need be assessed or recovered on the stores as ascertained at that stage.

(ii) An inventory of the dutiable stores should be similarly made again at the last port of call in Indian waters, immediately before the vessel reverts to a foreign run.

(iii) Duty should be recovered on the difference between the quantities recorded on the two inventories, assessments of such quantities being made by the Boarding Officer.

II. (i) Alternatively, an estimate of the quantities actually required, with a reasonable additional margin for consumption on the first stage of the coastal run, should be issued from the stores, on payment of duty, at the port of origin of the coastal run, the balance being sealed by Customs.

(ii) At each succeeding Indian port of call, fresh stores should be issued, if necessary, in the same manner.

(iii) Ultimately, at the last port of call, an inventory of the unconsumed balance of duty-paid stores should be made, and the amount of duty to be refunded on such balance as drawback should be worked out by the Preventive department.

The first procedure, in our view, has the advantage of simplicity, and could safely be applied in the case of vessels belonging to the regular shipping lines. The second procedure would provide the necessary safeguard in the case of other vessels, as for example, those specially chartered by firms or organizations and which have no regular contacts with the

Customs. In either case, no reference to the Export, Drawback and Manifest Clearance Departments should be necessary for the settlement of drawback claims, because drawback claims must depend entirely upon the inventories prepared by the steamer agents at the beginning and at the end of the coastal run, and certified by the Boarding Officers, and such inventories must necessarily be exact copies of the corresponding stores-lists attached to the vessel's manifests, except for possible clerical errors.

8. Advantages of simplified procedure

The procedure we have outlined above will bring considerable relief not only to the steamer agents but also to the Appraising Department where expert officers' time which is spent on rountine assessment of ships' stores, could be more usefully employed on the assessment of cargo.

9. Discrepancies in store-lists: penal action

We consider that Preventive Inspectors should be empowered to deal with ordinary discrepancies in stores-lists which may merit a warning or a small fine. This would save the inconvenience now caused to the masters, crew and agents of a vessel, because only an Assistant Collector is now empowered to take such action. In the event of more serious action being deemed necessary, the steamer agent should be required to execute a guarantee to pay such penalty as may be imposed in due course by higher authority.

10. Period prescribed for duty-free consumption of stores

Steamer agents find the period of one to three months now prescribed for entitlement to duty-free consumption of stores on board a vessel while in port, insufficient. We suggest that the adequacy of this period should be reviewed at each port, in the light of the records of the actual length of stay of vessels at the port.

11. Supply of ships' stores; delays in Custom House

Following complaints received about delays and difficulties experienced in making supplies to ships' stores at Calcutta, the Committee brought the matter to the notice of the Collector of Customs, Calcutta, and as a result of his investigations he has introduced a considerably simplified procedure. This procedure is described below for adoption at the other ports, if found necessary:—

(i) 3 copies of the stores list are prepared by the steamer agents and checked by the Boarding Officer, and the triplicate copy, duly certified by the Preventive Officer, is delivered to the agents for production before the Trade Control authorities. This eliminates the delay previously caused by the Custom House issuing a separate certified list of stores for the use of the Trade Control authorities.

(ii) In the case of certain items of stores, the values shown in the shipping bill have to be the values calculated *pro rata* from those originally recorded in the bill of entry covering the import of those items. Such values on the shipping bill are required to be checked by the Bond Department without refer-

ence to Appraisers. This eliminates the delay which used to take place previously when the entire shipping bill had to be referred to Appraisers for assessment.

(iii) The processes of audit and statistical coding which used to be done before shipment of the stores, are now undertaken after shipment.

(iv) The Assistant Collector's permission for shipment of certain items of stores like coal is no longer necessary.

Supply of ships' stores: delays in other departments

Our attention was drawn in this connection to the fact that as much 8 hours are required to obtain a receipt from the Reserve Bank of a in cases where a fee of Rs. 10/- has to be paid because the value of stores exceeds Rs. 500/-. Similar delays, we are told, occur in the pletion of certain processes in the Export Control Department. Since, ever, these matters do not concern the Customs administration, they ld be brought to the attention of the authorities concerned by the ner agents.

Ships' stores: Bombay-Karachi run

A vessel originally sheduled to make a halt at Cutch-Mandvi on a run n Bombay to Karachi is sometimes forced by adverse whether condi- s, to proceed direct. On its return to Bombay, it is not possible to nguish physically the stores picked up at Karachi from those original- aken from Bombay, and because of this, the Customs demand duty the entire stores. It has been suggested that the Customs should, in n cases, admit as evidence, the export manifest showing shipment of es at Karachi, and the list of stores shipped at Bombay on the pre- is voyage. Inasmuch as the alteration in the scheduled run in such s is accidental, we consider the procedure suggested is reasonable and ld not jeopardize the interests of revenue or the operation of trade rols.

Delivery of ships' stores from bonded warehouses on holidays

It has been represented that at Madras, shipment of stores required by ssel, from a public bonded warehouse, is not possible on Sundays and lic holidays. We recommend that the Collector of Customs and the l Port Trust should provide this facility in urgent cases, on a timely uisition from steamer agents and on payment of suitable fees.

Part-shipments of stores

At certain ports, when some items of stores declared in a shipping bill not ready to be shipped at the time of Customs examination, they required to be deleted from the shipping bill and a fee of Re. 1/- is rged, and a fresh shipping bill is demanded when such items are ly for shipment. We regard this as a burdensome and unnecessary cedure, and we recommend that such stores should be allowed ship- nt on one and the same shipping bill, as and when the stores are sented. Any items appearing in the shipping bill, which are not ntually shipped, should be treated as short-shipped.

16. **Receipts for "light dues"**

Delay in granting receipts for payments of "light dues" results in demands for fresh payment at the next port of call of the vessel. We see no reason why the receipts should not be delivered in such cases, immediately on payment.

17. **Period of validity of port clearance**

At Madras and Calcutta, port clearance granted to a vessel is valid for 72 hours but, at Bombay, it is valid only for 48 hours. We suggest that a uniform period of 72 hours should be allowed at all major ports.

18. **Port clearance: vessels forced to return to port**

Vessels forced to return temporarily to the port of departure by stress of weather, engine trouble or similar reason, are required at some of the major ports, to follow the complete procedure of entry inwards and outwards, and obtain fresh port clearance. We recommend the uniform adoption of the practice in force at Madras, where fresh entry and clearance are not insisted on, if such a vessel proceeds again on her original voyage within 24 hours without being engaged in fresh shipping and landing operations.

19. **Port clearance for vessels making a brief halt**

In certain cases, as for example, where oil tankers have been specially chartered, and make only a brief halt in Indian ports, it is not always possible to comply with the Customs requirement that the master's name and the tonnage of the vessel should be mentioned in application for port clearance, which, in these instances, is filed before the arrival of the vessel. We suggest that the Boarding Officer should be permitted to enter these particulars on the application, and on the port clearance itself, at the time of delivery of the port clearance to the master of the vessel.

20. **Supplementary export manifests**

Steamer agents have suggested that the period now allowed for filing supplementary export manifests should be extended to one month. If this period has in fact been found to be generally inadequate, we feel it should be suitably increased. Likewise, the discretion vested in Collectors and Assistant Collectors to allow filing of supplementary manifests after the prescribed period should be exercised freely in deserving cases.

21. **Cash advances to vessels**

Serious inconvenience is caused at Madras by the requirement that cash advances for masters of vessels must be escorted to the vessels by Preventive Officers. We cannot see why currency authorized by the Reserve Bank of India should at all be escorted, and we suggest a simplification of the present procedure in consultation, if necessary, with the Reserve Bank of India.

22. Crew: currency declarations

Ship's crews are required to sign currency declaration forms in addition to private property statements filed along with the store-list by the Master of the vessel. We agree with the suggestion that this duplication can be avoided by adding a column for currency in the private property statement.

23. Landing and short-shipped certificates

Whenever cargo is over-carried, steamer agents are required to obtain a landing certificate from the Customs at the port at which the cargo was actually landed. It has been represented that serious delays occur in the issue of these certificates, and if they are not produced when demanded by the Customs at the port for which the goods were originally consigned, penalties are imposed on the steamer agents. There are delays also in the issue of short-shipment certificates. We consider these delays are unwarranted and recommend that these certificates should be issued promptly.

24. Delays in grant of port clearance

Delays amounting to some hours are reported to be taking place at ome major ports in granting port clearance to vessels. These should e eliminated.

CHAPTER XI

PROBLEMS OF THE AIRLINES

1. Declaration of airports as warehousing and transhipment ports

All airports in India handling international traffic should be notifi as warehousing ports as well as transhipment ports. Without the facilities, serious technical difficulties arise, involving documentation, pa ment and drawback of duties, production of import licences in the matt of clearing transit traffic, and handling of airline stores and spares.

2. Assessment of aircraft materials

We have drawn attention in Part I to the difficulties experienced establishing "special design" of aircraft spares and materials, as a qualifi tion for favoured tariff treatment. Such treatment is normally accord on the strength of what are called "release notes" issued by the manufa turers. The airlines are not always able to produce these "release note to Customs. They make bulk purchases of aircraft materials and spa from the manufacturers, and supply them from their central stores individual stations as and when demands are made. While the bu purchase is covered by the manufacturer's "release notes", supplies ma by the airlines to their individual stations cannot be covered by such "release note", and they have accordingly devised a system of quoti approved reference numbers on their invoices on the strength of the bu "release note". We are informed that Air Registration Boards of countries have recognized this method of identification of an aircra material, or part, as being air-worthy. We consider that a method whi is acceptable to such Boards should be equally acceptable to the Custo for purposes of assessment of Customs duty.

Pilferage in airfreight

Airlines are at present responsible for the duty on pilferages fro airfreight, which have occured while the freight is in their custody. T procedure in this regard is for the Customs staff to seal packages land in "doubtful" condition, before they are taken over from the airlines a sent to the Custom House, and to verify pilferage, if any, at the Custo House. This procedure differs from that adopted in the case of sea-freig landed in doubtful condition, which is surveyed and assessed by qualifi surveyors in the presence of the representatives of the steamer agents a the consignees. We consider that a similar procedure should be follow in the case of airfreight.

4. Certain concessions against standing guarantees

The following facilities should be afforded to Airlines in the matter servicing and urgent supplies to aircraft, on presentation of a simple a plication to the Customs staff at the airport, and without reference the Custom House. For a revenue and trade control safeguard, in the cases, the airlines should execute a standing guarantee undertaking

complete the prescribed documentation, and where necessary, to pay duties and other charges, after the departure of the aircraft:

(a) Aircraft stores or spares should be delivered at short notice *to the airlines outside office hours*, and on holidays, either from the air-freight unit in the Custom House, or from the airport bonded warehouses.

(b) Parts should be allowed to be removed from a bonded (complete) aircraft assembly, on making a suitable record in the warehouse stock-books.

(c) When duty-paid items of aircraft spares and parts have to be supplied to an aircraft under claim for drawback, Customs officers posted at the airports should accept provisional "katcha" shipping bills, and carry out the identification and permit fitment or shipment.

5. Operations in bond

In view of the special needs of the airlines, the following operations should be permitted in, or in relation to, the airport bonded warehouses:

(a) When goods consigned to the airlines have to be removed from the Customs to an airport bonded warehouse, the Customs insist on an escort by a Preventive Officer, which involves unnecessary labour, expense and transportation. We suggest that the packages should be sealed in the Custom House, and delivered to the airlines for presentation to the Customs staff at the airport for deposit in the warehouse. An advice of despatch separately sent from the Custom House to the airport staff, and a standing guarantee from the airlines to account for the packages, would protect the interests of the revenue and import controls.

(b) Items of parts and spares should be permitted to be assembled in bond, even though they pertain to different bond bills of entry, suitable entries being made in the warehouse stock-books. Such items should also be permitted to be temporarily withdrawn from bond, for carrying out functional tests for the purpose of verifying their serviceability.

(c) To facilitate handling of urgent repairs at the airport, mobile trolleys should be permitted to be set up as accessories to the airport bonded warehouses, and necessary items of bonded stocks should be allowed to be transferred to, and retained on, the trolleys, suitable entries being made in the stock-books.

(d) If heavy or bulky items such as power plants and aero-engines cannot be stored in the store-rooms of a bonded warehouse, their storage should be permitted in an open and safe place.

(e) It is not permissible to store goods in a bonded warehouse except when secured in packing cases. This rule causes serious inconvenience to airlines, particularly, because certain aircraft engines and spares need to be regularly inspected, and treated if necessary, to ensure continued serviceability, which involves frequent unpacking and re-packing. We recommend that facilities should be provided to store, unpacked, specified aircraft parts and spares, subject to identification being secur by means of appropriate documentation.

(f) Airlines should be permitted to loan, borrow and inter-change bonded spares, and equipment between themselves, suitable entries being made in the warehouse stock-books.

6. Supplies of aviation fuel and oil

The following procedural simplifications are required, and can be made without any major risks to the revenue, in accounting for aviation spirit and lubricating oil supplied to foreign-bound aircraft:—

(a) Readings from the oil gauges, and the receipt furnished by the airlines to the oil companies, should be accepted as the only evidence necessary of the quantities delivered.

(b) The purely technical formality of entering in the Export General Manifest, the quantity of fuel and oil found on arrival of an aircraft, should be discontinued. Nor is it necessary to show the figures of fuel and oil supplied to an aircraft, on the Export General Manifest, and for the drawback section to verify drawback claims by reference to the manifest. If it is considered essential for a cross-check in that section, these figures should be shown by the airlines on the General Declaration form instead, and this form should be made available to the drawback section along with the drawback shipping bill.

(c) If Government do not favour the suggestion at (b) above, the most convenient procedure for verification of the shipping bill against the Export General Manifest would be for the Customs staff at the airport itself to carry it out at the time of the upliftment of the oil.

(d) In the case of regular international flights, no certificates should be demanded to the effect that the aircraft has not landed at any other port in India.

7. Fitment of spares; documentation

When an airline requires delivery of spares for fitment to an aircraft, and fitment takes place under Customs supervision under the procedure for transhipment, the Import General Manifest under which the spares were originally imported can be effectively cleared by a note such as "cleared by fitment to aircraft........proceeding to........"; no further documentation should be necessary.

8. Part shipments by aircraft

Since space in, and the weight that can be carried by, an aircraft are limited, it is not always possible to ship all the packages entered in a shipping bill. It is understood that while Customs do permit part shipment, they insist on a fresh shipping bill for the "shut out" packages which are to be shipped by another aircraft. While we appreciate the need for separate shipping bills for separate aircrafts for accounting purposes, we recommend that the second shipping bill should be permitted to be filed, in urgent cases, at the airport itself.

9. Transportation charges

A transportation charge at a flat rate of Rs. 2/- per package irrespective of dimensions and weight, is levied for conveying package to the Custom House from the airport. It has been represented that this rate is high, especially since air-freight cargo is generally in the form of small packages. We suggest that Collectors of Customs should evolve a reasonable schedule of rates in consultation with the representatives of the airlines.

CHAPTER XII

AIRFREIGHT

Physical arrangements in air freight unit

Certain physical readjustments in the airfreight unit both at Bomba and at Calcutta, would reduce the time now spent in movement of freig and documents from one section to another. Thus at Bombay, the ai freight godown and the Customs examination centre for airfreight, a located in two different rooms, and movement of the freight from on room to another in connection with Customs examination, involves a amount of accounting, which would be eliminated if Customs examinatio were to be conducted (as in Calcutta) in the airfreight godown itself.

2. Distinct colour for airfreight documents

Giving airfreight bills of entry and shipping bill forms a distinct colou would ensure priority attention in sections located outside the Airfreig Unit.

3. Airfreight: export cargo

Export shipping bills for airfreight are passed at the Customs Hous but Customs examination takes place at the airport where adequate facil ties for this purpose are not available. Further inconvenience results the examination necessitates a reference back to the Custom House. W recommend that export examination should be conducted in the Custo House, on request from the exporters, and the packages should be seale and delivered to the exporters for presentation at the airport; alte natively, the packages should be conveyed under official escort to th airport.

4. Clearance of airfreight at Madras

Clearance of airfreight cargo at Madras is delayed because of u satisfactory arrangements for transport of such cargo from the airpo to the Custom House. This situation should be improved with th assistance, if necessary, of the airline agents.

5. Noting in air manifest

Air cargo is sometimes sent to the Custom House without the aircra manifest, and this results in delay in "noting" of the Bills of Entry. Sinc the manifest comes with the aircraft, we see no reason, except oversigh on the part of the officers concerned, why the manifest should not invar ably accompany the cargo. In view of the urgency of air cargo, step should be taken to check such cases of oversight, and when they do occu the appraising processes should be taken in hand, pending receipt o and noting of the Bill of Entry against, the manifest. It should b possible to evolve a simple procedure to ensure that the Bill of Entry i not finally completed without noting.

CHAPTER XIII

SHORT-LANDING

1. Delays in issue of short-landing certificates

Delay occurs in the issue of short-landing certificates by the Port Trust because they wish to satisfy themselves that the packages are not in fact traceable. This investigation can take several months, resulting in considerable inconvenience to importers, steamer agents and the Customs. Until the investigation is completed, and the Port Trust are ready with the final out-turn of the vessel, importers are prevented from advancing their claims on steamer agents for the value of the goods, and on Customs, for the duty paid. Likewise, steamer agents are unable to comply with their obligation to pay duty on packages not accounted for in terms of the Import General Manifest.

2. Remedy suggested

This situation arises mainly because incorrect tallies are taken by the Port Trust clerks at the time of the unloading of vessels. We understand that the steamer agents also take a tally, but prefer to rely upon the Port Trust tally for settling claims. This is somewhat surprising, since it is the steamer agents, and not the Port Trust, who are liable to pay the value of the missing packages to the importers or the insurance company, and the duty to the Customs. We feel a practical solution would be for the steamer agents' clerks and the Port Trust clerks to make a joint tally, and for the Port Trust to issue short-landing certificates, countersigned by the steamer agents, on the basis of these tallies, in all cases where packages are not traced and delivered, within one month of the Customs "out of charge" order. The steamer agents would then automatically accept responsibility for the duty on packages covered by these certificates, and in the event of the packages being traced later, and delivered to the owners, the agents would be entitled to appropriate refunds from Customs.

3. A possible solution

A proposal was made to us that the owners of missing packages should prefer claims directly on steamer agents for reimbursement of Customs duties paid by them, just as they do in respect of the value of missing packages. This arrangement would certainly provide a simplification of the present procedure where the importer now applies to the Customs for refund, the Customs make the refund to the importer, and the Customs then recover the duty amount from the steamer agents. We [illegible] proposal to the steamer agents' representatives whom we met at [illegible] they agreed it deserved consideration. We suggest the fe[illegible] proposal be further examined and adopted, if found

4. **Explanation of short-landings**

Even after the Port Trust have submitted their final out-turn r of a vessel to the Customs, the Customs take months, and some years, to issue "letters of call" to the steamer agents for their explan in the case of short-landings. This, we understand, is because such a is given low priority. Similar delays take place in issuing "letters of to airline agents in respect of short-landed airfreight. By the time letters are received by the agents, their records are not easily trac to assist them in preparing their reply, and in the absence of a satisfa explanation the Customs impose penalties. In order to correct unsatisfactory position, we recommend that the following time- should be laid down for the disposal of such cases:—

(i) Letters of call should be issued within 60 days of the re of the Port Trust out-turn report, in the case of vessel of the inward entry, in the case of aircraft.

(ii) 120 days from the date of issue of the "letter of call" shou allowed to the agents to submit their explanation.

(iii) Each case should be finalized, on the basis of the avai evidence, within 60 days of the receipt of the agents' exp tion.

When import cargo is unloaded from a vessel or aircraft under the supervision of a Customs officer, and certain packages are not la either in error or because they are stowed in an inaccessible place, o such other reason, the fact should be noted by the officer on the man and should be treated as the only proof necessary of the fact of s landing.

CHAPTER XIV

RECEIPTS AND PAYMENTS

Improvement necessary in the Cash and Accounts department

We recommend the following improvements in the physical and pro-cedural arrangements in the Cash and Accounts Department to facilitate the receipt of duty and other payments.

(a) Distinct physical arrangements and staff dispositions are neces-sary for handling of documents in respect of payments made in cash or through deposit accounts, respectively.

(b) The practice in the Bombay Custom House, of returning account-holders pass books, duly written up, within a week of the submission of the pass book, should be adopted at other ports.

(c) It has been represented that no official receipts or debit vouchers are issued at the time of payment in some Custom Houses. This gives rise to subsequent correspondence, and it is found that the Customs even demand fees for issuing certificates of payment. Again these certificates do not con-tain detailed particulars of the debit in question. Receipts or debit vouchers setting out full particulars of the pay-ments, should be promptly issued to the parties for each and every transaction.

(d) In some Custom Houses, where a sum to be recovered for ex-port cess includes fractions of a rupee, the Accounts Section debits the export deposit account with the sum rounded off to the next full rupee, and later credits the difference. At the Bombay Custom House, however, the precise amounts are debited and we recommend this practice should be followed at other Custom Houses also.

(e) It is stated that cheques for deposit accounts and for duty are taken at the same window causing delay in the issue of duty receipts and the clearance of goods. Two separate windows should be provided for these payments, as in the Bombay Custom House.

(f) In the Delhi Custom House, no cheques are accepted for any payments. This Custom House should follow the practices authorized in this regard at the major ports.

...yments by cheques tendered by established importers and exporters

...tablished importers and exporters should be permitted to make ...nts of Customs duties and other charges by cheques drawn on a ...ed bank, provided the bank furnishes the Customs with a suitable ...ee undertaking to pay such cheques immediately on presentation

Overdrawals from deposit accounts are not permitted even though section 41 of the Sea Customs Act specifically provides for such overdrawals on the depositor furnishing a security sufficient in the opinion of the Customs Collector to cover the amount which may any time be due. We recommend that in the case of established importers and exporters, and steamer and airline agents, this facility should be provided within reasonable limits. Without this facility, serious inconvenience and delay are sometimes caused when urgent clearance or shipment has to be made.

CHAPTER XV

CERTAIN PROBLEMS AT MINOR PORTS

…ms mentioned elsewhere in this Report

In apropriate contexts in the various chapters of this Report, we have made recommendations on several Customs problems at the minor ports. There are certain others which we propose to deal with in this chapter.

2. Elimination of certain bill of entry and shipping bill operations

At minor ports such as Kozhikode, bills of entry or shipping bills are subject to a number of movements between the Customs Collector and other officials concerned. This is because the Customs Collector is the only senior and responsible official at such a port. There are, however, certain intermediate operations in the passing of these documents which, we think, can be eliminated by the Collector deferring his verification of the amount of duty payable, till after the duty has been paid, to the stage when he gives the "out of charge" order. Since this amount is calculated by his staff on the basis of his own prior assessment, no risk to the revenue would be incurred by introducing the change we propose. In the exceptional case of an error discovered by the Collector in the calculation of the duty, we think it should be possible to recover the short-levy, or to refund the excess levy, as the case may be, on the spot by correcting the entries in the bill of entry/shipping bill and in the account books.

3. Collection of export duty or cess at minor ports

At some of the minor ports, shipping bills are not [illegible] passed for shipment of the goods, nor is [illegible] collected, till after the Customs examination has been [illegible] this is a cause of delay, we recommend that the [illegible] these processes before examination, as is done at [illegible] be followed.

Verification of declarations of losses of [illegible]

The personal appearance of a [illegible] Circle is required at certain minor ports [illegible] that packages have been lost overboard [illegible] …g vessel. This delays the [illegible] …nize the need to ensure that [illegible] …larly, we consider it [illegible] …al appearance of tindals [illegible] …n reported, or where the [illegible] …ractices.

5. Insufficient powers of Customs Collectors

Matters such as the sanction of refunds and the granting of "lost over-board" certificates now lie only within the competence of the Superintendent of the Circle, and not of the Customs Collector, at the minor ports. At the larger of the minor ports, as for example, Kozhikode and Tuticorin, an officer of sufficient experience and seniority should be posted as Customs Collector, and vested with the necessary powers to dispose of all routine matters of the kind referred to above, without reference to his superior officers.

6. Retention of partly utilized licences

At some minor ports, delay and hardships are caused by Custom Houses retaining custody of partly utilized import licences, instead of maintaining a record of the part utilized. This practice delays the release of further imports made under the licence at any other port. A system of registration of licences, as in force at the major ports, should be introduced at the minor ports also.

7. Issue of "show cause" notices

At the minor ports, the Customs Collector has no powers to serve "show cause" notices where a breach of the Customs regulations is held to have been committed; the service has to be authorized by the Superintendent of Central Excise of the circle. We think that the Customs Collector, who must necessarily have direct knowledge of the facts of such cases, should be deemed competent to serve "show cause" notices.

CHAPTER XVI

OTHER PROBLEMS

1. Drawback: present procedure where goods are "shut out"

It sometimes happens that goods entitled to drawback are "shut out" from the vessel for which the relative shipping bill has been [illegible] Customs. In these cases, the present practice requires a fresh bill to be filed, even though the goods have not been removed [illegible] docks and all the processes of scrutiny of the drawback claim [illegible] completed and recorded on the first shipping bill; a simple am[illegible] of the vessel's name on the first shipping bill is not permitted [illegible] results in delay by duplication of scriptory work.

2. Suggested procedure

We are advised that this practice is based on an old ruling [illegible] Central Board of Revenue. The only justification for the exis[illegible] this ruling appears to be to ensure that the statutory period [illegible] laid down for drawback claims, namely, 2/3 years counting [illegible] date of original payment of duty to the date of shipment. [illegible] This purpose would be equally well served if the vessel's name [illegible] on the original shipping bill, because the date of shipment is not [illegible] amendment would itself fix the date because the vessel's name [illegible] amended. In fact, a change in the date of presentation of the [illegible] shipping bills other than drawback shipping bills is [illegible] duties and export control are involved. The underlying [illegible] the same, we see no valid point in treating drawback [illegible] differently.

3. Computation of period of detention for analytical tests

Detention certificates issued in respect of goods [illegible] analytical tests, should cover the period from the [illegible] drawn for test are presented to the Appraiser [illegible] laboratory report is received by him, both date [illegible] no fixed standards at present for the computation [illegible]

4. Remnants of samples drawn for test

A more systematic method than is in exist[illegible] for labelling, storing and accounting of rem[illegible] been tested in the Customs laborator[illegible] occurring at present in the tracing [illegible] may be eliminated.

5. Marking of goods under the Merchandise [illegible]

In cases where it is found [illegible] markings under the provisions [illegible] process cannot be carried out [illegible] importer, facilities should be [illegible] Customs limits, subject to [illegible]

6. "Rummage" of vessels

Serious inconvenience is inevitably caused to steamer/airline agents, as well as to passengers, when the whole of a vessel or aircraft is rummaged by Customs. This also involves stoppage of loading and unloading operations in the case of a vessel at a cargo berth. According to standing instructions, except when immediate action is considered necessary, a senior officer has to be fully satisfied of the need for such rummage, and his approval is required before it is undertaken. We recommend that these instructions, which it has been represented are not always observed, should be strictly complied with.

7. Facilities for Custom House agents

In Part I, we have already pointed out the need for better accommodation and amenities for the public in Custom Houses. Here we would like to emphasize that appropriate facilities, including service from the Custom House canteens, which are at present sorely lacking, should be provided particularly for Custom House agents and their employees, since they have to be constantly in attendance at the Custom House.

8. Issue of acknowledgements and interim advices

A general complaint is in regard to the failure of Custom Houses to acknowledge the receipt of letters, or to keep parties informed of the position of cases under investigation. In the absence of acknowledgements, parties are left with no means to connect with previous correspondence as recorded in the Custom House. Whilst we realize that all communications do not necessarily call for an acknowledgement, we consider this practice would assist in effective control of cases handled at subordinate levels. All acknowledgements should contain a specific reference to the subject of the case and the number of the relevant Custom House file. It should also be the practice to issue an interim advice in cases where a final reply is likely to be delayed.

APPENDIX

STOMS ADVISORY COMMITTEES AT PORTS AND CUSTOMS ADVISORY COUNCIL

Suggested Rules of Procedure for conduct of busines

(Please see Part I, chapter XXV, paragraph 4)

Meetings

The Committee/Council shall meet at least once in .... All such meetings shall normally be held at .... The C may, if necessary, convene any meeting at such other times o as he may decide.

2. Notice of meeting

(i) Notice of every meeting specifying the time and place shall be despatched by post to each member at least clear days before the meeting. The Chairman may, ever, convene a meeting at shorter notice to transac business which, in his view, is urgent.

(ii) All such notices shall be despatched to the members a addresses notified by them unless any change in adc whether permanent or temporary has been duly notifie the Secretary.

3. Agenda

(i) Any member wishing to bring up a subject for discussion sh give clear notice of at least ...... days before the meeti to the Chairman, stating briefly the subject to be discusse The Chairman may, however, exclude a subject, if i admissibility is in doubt, or postpone it for discussion a a subsequent meeting, provided that the reasons therefo are stated at the same time, or at the meeting at which it was proposed to be discussed.

(ii) An agenda containing the list of the subjects, not excluded or postponed under (i) above, together with appropriate notes, wherever necessary or practicable, on each of the subjects, shall be circulated to the members to whom notices are sent under clause 2 above, at least ...... clear days in advance of the meeting; provided that any urgent business or subject arising after circulation of the agenda may be brought up without notice, or at shorter notice with the permission/concurrence of the Chairman, although not included in the agenda.

4. **Disposal of business**

All subjects set down in the agenda for a meeting shall be considered at such meeting, except that, where a final conclusion is not reached on any subject at such meeting for any reason, the Chairman may direct that the subject be referred again to a subsequent meeting or that relevant papers be circulated to the members. A member may, however, require that the matter so circulated be referred to a subsequent meeting.

5. **Proceedings at meeting**

(i) Every meeting of the Committee/Council shall ordinarily be presided over by the Chairman. If however, the Chairman is absent or delayed for any reason, the members present may elect a Chairman from amongst themselves. The member so elected shall exercise the powers and functions of the Chairman in respect of that meeting, or until the Chairman joins the meeting.

(ii) The functions of the Committee/Council being advisory, there shall be no voting at the meetings on any subject, but the subjects discussed, and the measure of agreement reached, shall be clearly brought out in the minutes.

(iii) The minutes shall be maintained in a separate file, or in other appropriate manner, as may be directed by the Chairman. They shall be drawn up and circulated to the members within .... days of the date of the meeting.

(iv) A member wishing to make any comments or suggestions on the minutes so circulated shall communicate his views to the Chairman within....days of the date of circulation, failing which the minutes as recorded shall be considered as having been accepted, and such action as may be necessary thereon shall be taken and members shall be kept informed of the action taken.

(v) Such of the comments or suggestions as are acceptable to the Chairman shall be incorporated suitably in the minutes, and advice thereof shall be given to members for purposes of record. If any such comments or suggestions are not accepted by the Chairman, reasons therefor shall be explained at the next following meeting.

(vi) The minutes of every meeting, prepared in accordance with the foregoing provisions, shall be formally confirmed at the next following meeting.

Brief statement showing work done by the Customs for other departments of the Government of India and the State Governments.

1. Ministry of Commerce

(a) *Import and Export Trade Control*—Verification of goods imported/exported by sea, air, land or post, against Im port/Export Trade Control licences; penal action, and appellate revisionary proceedings in cases of contravention of licence regulations; maintenance of relative statistics

(b) *Commercial statistics*—Collections of import and export trade statistics for the Director General of Commercial Intelligence and Statistics.

(c) *Merchandise marks.*—Enforcement of the provisions of the Merchandise Marks Act and Rules in respect of imported goods.

(d) *Trade Marks.*—Enforcement of the Trade Marks Act in respect of imported goods.

(e) *Tea Act.*—Enforcement of licensing control of Tea and Tea seed, under the Tea Act.

(f) Testing work in connection with Import and Export Trade Control.

(g) Consultation with Customs on technical matters, as for example, chemical and physical specifications, in framing Import and Export Trade Control regulations.

(h) Collaboration with Indian Standards Institution in framing standards for materials and methods of analysis for various products.

2. Ministry of Economic Affairs

Enforcement of the provisions of the Foreign Exchange Regulations Act in respect of postal articles and exports. Prevention of smuggling of gold, currency and securities.

3. Ministry of Home Affairs

Enforcement of restrictions and prohibitions imposed by the Indian Arms Act and the Press (Objectionable Matter) Act.

. Ministry of Food and Agriculture

Enforcement of restrictions in respect of imports or exports of various ods falling within the scope of Destructive Insects and Pests Act, dian Coffee Cess Act, Indian Cotton Cess Act, Livestock Importation t and Prevention of Food Adulteration Act.

Ministry of Health

(a) Enforcement of prohibitions and restrictions imposed on imports and exports by the Dangerous Drugs (Import, Export and Transhipment) Rules and the Drugs Act.

(b) Participation in Drugs Technical Advisory Board, constituted under Drugs Act in connection with methods concerning Drugs Control and Drugs Testing.

6. Ministry of Education

Enforcement of the provisions in respect of imports and exports of the Antiquities (Export Control) Act, the Ancient Monuments Preservation Act and the Indian Copyright Act.

7. Ministry of Works, Housing and Supply

(a) *Carbide of Calcium.*—Implementation of the provisions of the Carbide of Calcium Rules, in respect of discharge from, and carriage by, vessels, of Carbide.

(b) *Petroleum.*—Implementation of the provisions of the Petroleum Act in respect of imports and exports of Petroleum, such as analytical work under Explosive Rules, and Petroleum Rules.

8. Ministry of Communications

(a) *Postal Parcels.*—Enforcement of prohibitions and restrictions imposed by the Indian Post Office Act in respect of certain articles through the medium of the post.

(b) *Wireless Sets.*—Intimation to postal authorities in respect of importation of Wireless apparatus for purposes of enforcement of wireless licences.

9. Ministry of Transport

(a) Implementation of restrictions placed by the Mercantile Marine Department in respect of Coastal Trade.

(b) Collection of light dues under the Indian Light House Act and enforcing restrictions imposed under Motor Vehicles International Circulation Rules with regard to import and export of motor vehicles without proper and valid certificates.

(c) Testing of samples of articles of food like Ghee, Lime and Lemon Juice, Mustard Oil, Condensed Milk and Tea.

10. For various Ministries

Collection of development cesses on exports.

11. State Governments

Analytical tests and enforcement of import permits in respect of wines and spirits for the State Excise departments.

List of advance recommendations sent to the Government of India

Letter No. CRC-169/57 dated 21-12-57 addressed by the Committee the Secretary to the Government of India, Ministry of Finan (Department of Revenue), New Delhi.

SUBJECT: *Part deliveries of imported consignments; joint meetings wi the Chief Controller of Imports; panel of experts to advice c classification and valuation—*

The facility of part clearance of goods, which is now being grant to importers on a limited scale should be extended to a larger numb of cases on the lines indicated below:—

(i) Subject to the exceptions specified in (viii) below, the facility part clearances should be extended in all cases where there is any likel hood of delay in clearance resulting from—

(a) any kind of special scrutiny of documents, catalogues etc.

(b) a dispute between the importer and the Appraiser regardi the tariff or the Import Trade Control classificatio valuation, sampling or testing

(c) importation of goods in excess of the licensed quantity

(d) generally, a dispute which relates to only a part of a consig ment

(ii) The size and selection of the part of the consignment to detained should be such as:

(a) to enable the Appraiser's scrutiny to be fully effective;

(b) to provide adequate cover for the penalty or extra duty whic may have ultimately to be recovered;

(c) in cases where the profits are high, to provide sufficient ince tive for the importer to clear the detained part ultimately.

(iii) Where the dispute is in respect of value or tariff classificatio duty should be recovered on the entire consignment, before part delive is given, on the importer's (and not the appraised) value or classificatio since the detained part of the consignment would afford the necessa security for the collection of the difference.

(iv) Only after part delivery has been granted, further scruti should be undertaken and the Appraiser should give the importer th fullest opportunity to establish his case before deciding to proceed on hi own valuation, classification etc. This scrutiny should be completed i the shortest possible time; no laxity should be permitted because a pa of the consignment has already been delivered.

(v) The detained part of the consignment should be transferred wherever possible to sheds other than the landing sheds; there shoul be no hesitation in making use of the available space in Customs bonde warehouses (public or private) without formally bonding the goods bu with adequate safeguards against clearance without Customs permission

(vi) In order to prevent any slackness or reluctance on the part of clearing agents in effecting part deliveries, the Customs should themselves enforce such deliveries, whenever possible, and Port Trusts and Port Commissioners should charge wharfage on a progressively increasing scale on all packages released from Customs control but not cleared from the sheds.

(vii) If the facility of part deliveries is at all to be useful, and fully serve the purpose for which it is intended, it must be operated extensively enough for the benefits to be enjoyed in the maximum number of qualifying cases. Moreover, if delays are to be minimized, the power of application of the procedure should be delegated, as far as possible, to Principal Appraisers.

(viii) The facility of part clearance should not be extended in any cases where—

(a) a deliberate fraud of any kind is suspected.

(b) an attempt has been made to import totally banned goods;

(c) generally, where absolute confiscation or redemption fine in excess of 50 per cent. of the value of the goods are indicated.

In making the above recommendations the Committee have been guided by the opinion of the Ministry of Law that where penalties have been provided in the Sea Customs Act 1878, part deliveries are feasible under the existing law, any ultimate confiscation being confined to the detained part.

2. In cases where the importer is willing to pay whatever fine is adjudged by Customs, and to forego the observance of the usual formalities e.g. the service of a 'show cause' memorandum, his goods should be released to him after quickly deciding the extent of the fine and collecting it.

3. In regard to the system of holding weekly meetings between the customs and the Import Trade Control authorities, in settling disputed cases, the Committee consider that it is not the number of cases that should decide the frequency of the joint meetings; due importance should be given to the question of detention of consignments pending convening of a joint meeting. The Committee, therefore, recommend that the joint meetings should be called more often than once a week, if necessary, in order to avoid detention of even a single consignment because of doubts regarding Import Trade Control classification calling for a joint meeting. The existence of this machinery of joint meetings for settlement of questions of Import Trade Control classification should be made known to importers by means of public notices so that the importers may have the possibility of placing their case before the joint meeting either through the customs or the Import Trade Control representative.

4. The present practice of customs officers consulting outside experts in matters of classification and valuation wherever necessary, may be continued and also further developed. Collectors of Customs should consider the formation of panels of non-official and official experts (including recognized associations) from outside the Custom House for such consultations, if necessary, on a retainer basis.

Government of India
Ministry of Finance (Department of Revenue)
CUSTOMS REORGANIZATION COMMITTEE

Central Revenues Building,
Mathura Road,
New Delhi.
Dated: 23-1-1958.

No. CRC-121/57

From

The Chairman,
Customs Re-organization Committee

To

The Secretary to the Government of India,
Ministry of Finance (Department of Revenue),
New Delhi.

SUBJECT: *Indian Customs Tariff Guide*

One of the more widespread and important representations made to the Committee deals with the absence of a comprehensive and up-to-date Guide indicating clearly the Customs tariff classifications of various articles imported into or exported from the country. It is apparent that the need for such a Guide has been fully recognized by Government which had already published an "Indian Customs Tariff Guide" in 1952. This publication is, however, now considered obsolete and even the correction slips that have been issued from time to time do not adequately meet the present needs of the public nor do they materially help the staff of the Customs Department. The Committee consider that an improved and comprehensive Guide of this kind should be published at reasonable intervals, and not less frequently than half yearly. The first issue of the new Guide should be undertaken as soon as possible and should incorporate all additions and amendments upto 31-12-57. Hereafter, corrected and up-to-date editions should be published regularly every six months and put on public sale.

2. The Committee also consider that the compass of the former (1952) publication was too restricted to serve the full purpose for which it was intended, in-as-much as this old Guide mostly included only those classifications which had been officially authorised by rulings given in particular cases referred, either by Collectors or by the public, to the Central Board of Revenue. The Committee observe that the Ministry of Commerce & Industry, in their Department of Commercial Intelligence

and Statistics, have brought out an "Alphabetical Index to the Ind[illegible] Trade Classification' in which, to quote from the preface to the Ind[illegible] "an attempt has been made to list the names of all conceivable comm[illegible] dities which enter the country's trade". This list is also claimed to follo[illegible] generally the list in "Commodity indexes for the standard Internationa[illegible] Trade Classification" issued by the Statistical Office of the Unite[illegible] Nations. In the Committee's view, this Alphabetical Index affords an ideal basis, of considerable practical value, for acquainting the public with the Customs Tariff Classification of each of the items listed therein.

3. The Committee accordingly recommend that immediate steps should be taken to publish an up-to-date edition of the Alphabetical Index indicating therein, in an additional column opposite each item, its Customs Tariff Classification. The Committee recognize that this course may not be feasible in respect of each and every individual item, but they are convinced that it should be possible in the vast majority of cases, with intelligent and adequate direction, to carry out this highly [illegible]esirable amplification of the Index. The result will well repay the [illegible]ffort involved. It will, on the one hand, enable Government to meet [illegible]he legitimate and increasing public demands that all importers and [illegible]xporters should be placed in a position to assess correctly before hand what duties they would have to pay on their projected imports or ex[illegible] ports. On the other hand, the relief to the Central Board of Revenue, [illegible] tions, and to the Custom House administ[illegible] substantial. These improvements will undoubtedly eliminate [illegible] large part of the areas of dispute between the public and the Cus[illegible] Appraising Section which are inevitably created by the [illegible] a voluminous tariff in which a number of overlapping [illegible] duplications are included.

4. The speedy and successful achievement of this task [illegible] require the full-time employment of a small team of [illegible] under an energetic and progressive "Captain" to [illegible] amplified volume of the Alphabetical Index. The [illegible] be used with advantage for achieving the long overdue [illegible] simplification and rationalisation of the Indian Customs [illegible] subject on which the Committee intend to make [illegible] their final report.

Government of India

Ministry of Finance (Department of Revenue)

CUSTOMS REORGANIZATION COMMITTEE

Central Revenues Building,
Mathura Road,
New Delhi.
Dated: 14-5-59.

To

The Secretary to the Government of India,
Ministry of Finance (Department of Revenue),
New Delhi.

SUBJECT: *High Priority Reforms—Customs Bonds and Guarantees*

In continuation of the previous correspondence on this subject, the Committee have made a comprehensive study of the procedures now in force in Custom Houses relating to the taking of bonds and guarantees from importers and exporters to secure the fulfilment of obligations of various kinds imposed by the Customs, Import and Export Trade Control, and allied laws. The Committee are also aware that the stringency of some of the requirements in this regard has been dictated by certain general instructions issued by the Department of Economic Affairs, and are glad to note that the Department of Revenue has succeeded in securing, and extending to the public, substantial relaxations of the provisions in those instructions.

2. Having regard, however, to certain changed conditions, the nature of the representations the Committee have received, and to the fact that, during the past two years, the occasions for actual enforcement of bonds and guarantees have been very few in proportion to the number of bonds and guarantees taken, the Committee consider that the following further concessions should be made, without apprehensions of incurring serious hazards to the revenue or to the import and export or other controls:

(1) Although instructions already exist that a banker's guarantee need not be insisted on in all cases where bonds and guarantees are required, and sureties of reputable persons and firms would suffice instead, it appears that this facility is, in actual practice, seldom granted, and then, only to a limited number of concerns. The Committee would, therefore, recommend that Collectors should be instructed not to demand banker's guarantees except where they are actually considered essential. In other cases, the facility of furnishing sureties other than banks should be accepted as the general practice.

(2) Where banker's guarantees are taken, the practice, satisfa torily operated in the Central Excise Department, demanding guarantees amounting to not more than 20 pe cent. of the amount of bond, should be adopted by th Customs Department also. The Committee recognise tha the conditions in the two departments are not altogether similar, because, in the Central Excise Department, there are fewer operators, and closer control is possible. Neverthe less, the Committee are of the considered view that import and export and other controls, as well as revenue, would be adequately protected by the adoption on the Customs side of the Central Excise practice

(3) Attestation of the signatures on bonds and guarantees by a Magistrate or a Notary Public or a Justice of the Peace, causes considerable delays and inconvenience to importers and exporters as well as to the Customs Department. The Committe consider that signatures witnessed by a licensed Customs Clearing Agent or Dalal or Sarkar should be acceptable to the Customs for this purpose, since these licensed agents are known to the Customs Department, and are subject to its control. The Customs Department should also accept a scheduled bank's attestation of such signatures, given under its seal.

3. In this connection, it has also been represented to the Committee that serious delays occur in the cancellation of banker's guarantees on the fulfilment of the obligations undertaken. Since money deposits are involved in arranging for such guarantees, the Custom Houses should take steps to release them with the least possible delay, and in any case within 30 days after the date of the final fulfilment of the obligations written in the bonds.

4. Since the existing procedures and practices regarding Customs bonds and guarantees are known to cause consistent hardship to importers and exporters, and also to be one of the major contributing factors in delays in clearance and shipment of goods, the Committee consider this matter to be of sufficient public and topical importance to justify this high priority recommendation to Government in advance of the report.

F. C. BADHWAR,
Chairm

GOVERNMENT OF INDIA

Ministry of Finance (Department of Revenue)

CUSTOMS REORGANIZATION COMMITTEE

Central Revenues Building,
Mathura Road, New Delhi.

Dated: 15-7-58.

No. CRC/55/57.

To

The Secretary,
to the Government of India,
Ministry of Finance (Dept. of Revenue),
New Delhi.

Sir,

SUBJECT:—*Procedures relating to Customs drawback.*

In the context of Government's efforts to provide all possible incentives to promote exports, my Committee have made a special study of the Customs policies and procedures relating to drawback on goods exported from the country. The Committee are aware of the measures recently taken by the Revenue Department to liberalize some of these policies and to simplify these procedures and have also noted the recommendations made by the Export Promotion Committee on this subject. In the course of their final report, my Committee will have certain further recommendations to make, but there are certain matters in this connection which, in the Committee's view, would materially assist the export drive if they were to receive the immediate attention of Government.

2. The Committee have observed that exporters are sometimes not in a position to make quotations to, and enter into firm commitments with, foreign buyers in the present highly competitive markets because they are not sure, sufficiently in advance of the shipment dates, whether their goods would qualify for drawback under the rules. My Committee, therefore, feel that the Customs Department ought to provide the necessary facilities in this regard, promptly on request. The mechanism adopted for this purpose could conveniently be based on one of the following patterns:—

(a) Samples to be inspected as far in advance of shipment as necessary, and the admissibility of drawback to be determined and intimated to the exporter within three days. The samples would then be retained, duly sealed, in

Customs and/or the exporter's custody, for verification and comparison at the time of actual shipment.

OR

(b) The consignment intended for export to be examined (on payment of the prescribed scales of overtime fees) at the exporter's premises, as and when the exporter applies for this facility, and the admissibility of drawback to be determined at the time of such examination and communicated to the exporter within three days. The packages would then be sealed with Customs seals which could be inspected at the time of actual shipment.

3. At certain ports, *e.g.*, Bombay, facilities for drawback examination are provided in the docks at only one or two centres. This causes delays and also involves exporters in extra expense, particularly in the case of manufactured goods where the rates of drawback are comparatively low and the expenses on Customs examination constitute a fairly high ratio against the total amounts claimable. The Committee suggest that drawback examinations should be permissible at all the Customs examination centres in the docks, and all Customs staff employed on the examination of cargo should be directed to operate the drawback regulations paying due regard to the need for giving prompt Customs clearance in such cases.

4. The Committee also recommend the early introduction of the following reforms to speed up the payment of drawback claims:—

(a) These claims should not, as at present, be subject to preaudit and any auditing that is considered necessary can be arranged after payment. The Committee do not think that any undue risk is involved in this change because (i) drawback claims are, for all practical purposes, fully established at the time of shipment itself, (ii) section 39 of the Sea Customs Act affords sufficient safeguards against incorrect or excess payments; (iii) post-audit is already the accepted practice for receipts of duty on Bills of Entry, which are far more numerous and in most cases larger than drawback payments.

(b) The drawback shipping bill should itself be treated as a drawback *claim* instead of insisting on the existing practice of requiring the exporter to lodge a separate claim. It is again stressed that the claim for drawback is ordinarily fully established at the time of shipment itself. The submission of a *claim*, as distinct from the shipping bill should, therefore, be dispensed with and the processes of payment should be commenced by the Custom House, on its own initiative, as soon as the shipping bill reaches the Drawback Department. If the Accounts Section of the Custom House requires an additional document for its own purposes, this need could readily be met by prescribing as many additional copies of the shipping bill as may be wanted. The ultimate payment of each claim would, of course, continue to be subject to confirmation by the Manifest Clearance Department, of actual shipment.

(c) Assistant Collectors should not, as at present, be required to approve shipments under claim for drawback. While it is understandable that an Assistant Collector's directions may occasionally be required in rare cases where special issues necessitating a higher and more mature judgement are under consideration at the time of shipment, the routine approval of the Assistant Collector in all cases of drawback shipment is, in the Committee's view, not justified and is merely productive of delays, often resulting in the shutting out of the goods from the vessel on which they were originally intended to be shipped. The present practice seems to be based on the notion that anything which results in the paying back of even rightful dues by Government must have the sanction of a second and senior authority. This attitude on the drawback side is also at variance with the practice on the collection-of-duties side, where Appraisers and Principal Appraisers without the routine approval of Assistant Collectors are accepted as competent and trustworthy enough to complete thousands of Bills of Entry involving, in the aggregate, many crores of rupees in duties, compared to which the totals in respect of drawback would be a mere fraction.

5. My Committee feel confident that the immediate adoption of the measures recommended in this letter would enable effective and early results to be achieved in the direction of increasing the country's exports'

(F. C. BADHWAR),
Chairman.

Government of India

Ministry of Finance (Department of Revenue)

CUSTOMS REORGANIZATION COMMITTEE

F. No. CRC/18/58.

Central Revenues Building,
Mathura Road, New Delhi
Dated 4th June, 1958

To

The Secretary,
to the Government of India,
Ministry of Finance (Deptt. of Revenue)
New Delhi.

SUBJECT:—*High Priority Reforms in the Customs Department Customs Advisory Committees.*

In the course of our discussions with representatives of a number of associations and other trading bodies at various ports, several problems and suggestions for improved procedures were placed before us. My Committee felt that many of these subjects should have fallen well within the purview of the local Customs Advisory Committees. Further investigations revealed, however, that it was only rarely that such items were brought up before Advisory Committees, and the Collectors of Customs at these ports agreed with us that the present state of affairs was far from satisfactory.

2. Subsequent talks between various Chambers/Associations and us showed that the obvious course of discussing day to day problems at periodical meetings of Customs Advisory Committees had not been generally adopted mainly because of the lack of detailed knowledge and interest by most of the non-official members of these bodies as at present constituted. Such non-official members are generally senior office bearers of large Chambers of Commerce, and seldom have first-hand information or direct day to day contacts with the Customs administration. They cannot, therefore, be expected to deal effectively with matters with which these Advisory Committees are supposed to be chiefly concerned. Collectors of Customs also informed us that, not infrequently, regular meetings of Advisory Committees were not held because of the lack of material on which to base an agenda. This contrasts glaringly with the many representations made to us by associations and individual traders, who indicated that their Customs difficulties and problems were increasing. We are, therefore, compelled to come to the conclusion that the present non-official representation on these Advisory Committees is generally inadequate to highlight topical and pressing problems in the manner in which they should be put forward, though there are exceptions to this rule. Matters of vital concern to exporters, importers, shippers, clearing

agents, etc. appear often to go by default at present. We also noted with regret that, in some cases, non-officials seek membership of Customs Advisory Committees for reasons connected with either business or personal prestige.

3. My Committee have given very careful consideration to this matter and agree largely with the views expressed by the trading public, senior officials of the Customs Department and representatives of other Ministries of the Central Government that the usefulness of the present Customs Advisory Committees will be greatly increased by altering the non-official membership in the direction of giving more effective representation to those interests which are in almost daily touch with Custom Houses. Such interests include:—

(a) Exporters
(b) Importers
(c) Clearing and Shipping Agents
(d) Steamer Agents
(e) Airline Agents, and
(f) Travel Agents.

4. It is not suggested here that Chambers of Commerce, as such, should be excluded. In fact, my Committee consider that it will be most useful in the overall interest to retain the representation given to large Chambers, as this will secure wide co-ordination and a correct perspective of industry and trade in the examination of problems having many common denominators. The scales of representation of such Chambers should, however be adjusted, where this is necessary to accommodate the additions that we have suggested and to meet the need of keeping these Advisory Committees to a manageable size.

5. For these reasons, my Committee suggest that the constitution of the existing Committees at the four major ports be reformed on the lines indicated in the appendix attached to this letter.

6. The Committee have also examined, in consultation with Collectors of Customs, various suggestions received from the public regarding the constitution of Customs Advisory Committees for Vizagapatam and the so-called minor ports. We suggest that at such of these ports where the volume of passenger and goods traffic, coastal or foreign, is substantial, *e.g.*, Tuticorin, Dhanushkodi, Kozhikode, Nagapatam, etc., the Collector concerned should set up Committees of local representatives drawn from interests having direct day to day dealings with the local Custom Houses. Meetings of these Committees should be convened on those occasions when the Collector, or his Deputy, visits these ports in the course of his normal tours. At Vizagapatam, the senior local officer in charge of the port should convene the meetings at suitable intervals, say once every two months, and arrange such additional meetings as are necessary whenever the supervising Collector of Customs happens to pay a visit.

7. In view of the importance attached by most sections of the trading public to Customs Advisory Committees as forums for ventilating pressing problems and suggesting acceptable solutions, my Committee consider it most desirable that the reforms suggested in this letter should receive the very early consideration of Government.

(F. C. BADHWAR),
Chairman.

APPENDIX

Constitution of Customs Advisory Committees at Bombay, Calcutta, Madras and Cochin

Existing		*Proposed*
1. The Collector of Customs at the Port, or his representative	Chairman	In addition to the existing members the following interests should also provide representative of each —
2. A representative of local Port Trust/Port Commissioner.	Members	(i) Importers
3. A representative of local Reserve Bank of India.		(ii) Exporters
4. The Deputy/Joint Chief Controller of Import /Export.		(iii) Steamer Agents
5.* The local branch of the Federation of Indian Chamber of Commerce and Industry.		(iv) Clearing Agents
6. The local branch of the Associated chamberof commerce.		(v) Airlines Agents
		(vi) Travel Agents
7. Assistant Collector of Customs, preferably the officer working as Public Relations officer.	Secretary.	*Note* — The scale of representation of these and other interests may, however, be proportionately reduced to keep the size of the Committee within reasonable limits.

*3 Members at Bombay and Calcutta and 2 at Madras

Government of India
Ministry of Finance (Department of Revenue)
CUSTOMS REORGANIZATION COMMITTEE

Telegram: "CUSCOM"
Telephone: 43936.

Central Revenues Building,
Mathura Road, New Delhi.
Dated 23rd January, 1958.

CRC/172/57.

From

The Chairman,
Customs Reorganization Committee.

To

The Secretary,
to the Government of India,
Ministry of Finance (Deptt. of Revenue)
New Delhi.

SUBJECT:—*Import & Export Advisory Council at the Centre to discuss Customs Problems.*

Among the many written and verbal representations received by the Committee from responsible sources a large number pertain to a general urge for the provision of an effective forum in Delhi at which pressing problems connected with various aspects of Customs working can be readily ventilated and receive prompt attention. The Committee have been reminded that requests of this nature are not new and have been made at frequent intervals for at least a decade. There also appears to be an impression in some quarters that Government once gave an undertaking to examine with sympathy the provision of such a forum "after the War". The trading and industrial community, however, seems disappointed that no concrete action has yet been taken to set up an Advisory, or Consultative, Council at the Centre to assist Government in dealing with important and topical Customs problems.

2. The Committee have studied this subject from various angles and find themselves in agreement with the general public view that an Advisory Council for the Customs Department is now necessary. They accordingly suggest that Government be pleased to arrange to set up such a body through one of the two alternative methods mentioned below:—

(i) The creation of an Advisory Council for Customs linked with the Import and Export Advisory Councils of the Commerce and Industry Ministry, which generally hold meetings in Delhi each half year. An association of this kind has

obvious advantages, as many Customs problems connected with Import and Export matters.

OR

(ii) The creation of a Customs Advisory Council, as a and self-contained entity, to be attached to the Board of Revenue for the express purposes of draw ernment's attention to pressing Customs Problem ing the Central Board of Revenue on improvem procedures and practices for finding quick and ac solutions for them, and assisting Government gene framing its policies on Customs matters.

(F. C. BADHWAR),
Chairman.

GOVERNMENT OF INDIA

MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)
CUSTOMS REORGANISATION COMMITTEE

Telegrams: "CUSCOM"
Telephone: 43936

Central Revenue Building,
Mathura Road, New Delhi.
Dated the 27th June 1958.

No. CRC/79/57

From.

Shri F. C. Badhwar,
Chairman,
Customs Reorganization Committee.

To,

The Secretary,
to the Government of India.
Ministry of Finance (Department of Revenue),
New Delhi

Sir,

Subject : Procedure for dealing with goods imported for display at Exhibitions in India

It will be recollected that there was much criticism, both in India and abroad, of the treatment of exhibits and other materials, sent by various countries to India in connection with the Industrial Exhibition arranged by the Federation of Indian Chambers of Commerce and Industry in November/December 1955, by the Customs Department. My Committee have studied the complaints made at the time, and others subsequently, and have come to the conclusion that this subject should form the basis of a specific recommendation in their final report. Events, however, are moving fast and an exhibition, sponsored by the Commerce and Industry Ministry, is due to be held in Delhi during the coming autumn and winter. Though the nature and scope of this exhibition differs from the one sponsored by F.I.C.C.I., two years ago, there are, nevertheless, expected to be some common features that may create grounds for similar complaints from both Indian and foreign participators. My Committee feel that special precautions should be taken in good time to prevent such a position developing and consider this factor sufficient justification for suggesting to you that specific instructions be issued to the Customs Department in this connection. An outline of procedures that should assist in the prompt clearance of articles imported for this exhibition, and their subsequent re-export, is attached with this letter for your consideration.

2. Public relations aspects and the reputation of India with foreign exhibitors are matters which my Committee consider of great importance on such occasions. A close study of the practices followed in other countries shows that we have much to learn in connection with international exhibitions. All Departments of Government in more industrially advanced countries attach far greater importance to the provision of attractions and effective facilities for exhibitors, and to close inter-departmental coordination, than appears to have been the case so far in India. Official regulations on subjects of this kind do not differ greatly in other countries but whereas the Customs, and other, authorities in Europe, America, Japan etc., usually go out of their way to help and accommodate exhibitors from friendly nations, the authorities in India, are inclined to be over cautious and needlessly rigid in the application of the regulations. This attitude has been adversely commented upon abroad and unfortunate impressions have been created on both foreign and Indian concerns to the effect that the Customs and Trade Control Departments are not always prepared to offer the necessary collaboration to make international exhibitions a success in the larger interests of the country.

3. The following were prominent among the factors which caused most complaints in 1955:—

(a) Insistence by Customs Officers on the examination of the contents of every package, on the ground that this was necessary for identification, at the end of exhibition, in spite of the importers producing detailed invoices and specifications in each case. This counter-balanced any concessions extended to exhibitors in respect of importation under bond and without payment of duty.

(b) Cumbersome processes of assessment on the assumption that any of the goods imported for the exhibition might eventually be retained in the country, and to satisfy the mere technicalities of the existing law which does not make adequate provision for contingencies of this kind.

4. My Committee suggest, that on the occasion of the next and future exhibitions, instructions may be issued to ensure that both the attitude of the Customs staff and their handling of exhibition consignments will be different and will not arouse criticism. The principal factor to bear in mind is to treat imported goods intended for exhibition purposes as "distinguished guests" of India and assume that their stay, in the large majority of cases, is temporary, for duty purposes. The normal procedures of detailed assessment, that apply to regular imports, are quite uncalled for in such cases. Customs revenue and import and exchange controls can usually be adequately safe guarded by studying the covering documents, without visual examination, as these generally contain sufficient particulars to identify individual consignments. As copies of these papers are retained by the Customs, any duty that might be leviable, if and when a particular article is retained in the country, can easily be assessed subsequently.

5. My Committee also consider it important that special liaison arrangements should be planned beforehand between the Director of the Exhibition and the Customs authorities and that suitable officers of

the Central Board of Revenue and of the Collectorate of Customs or Central Excise concerned, should be placed on special duty for a few months to see that things work smoothly and any complaints, or hold-ups, are promptly attended to by immediate reference to the key authority involved.

6. The outline procedures proposed involve, in some cases technical relaxations of the existing law on bonding and clearing of imported goods. Nevertheless, my Committee have noticed that even the existing procedure involves relaxations, and feel that greater relaxations are often condoned on lesser merits; they, therefore, consider that little risk, but much potential gain is likely to result from this liberalization.

(F. C. BADHWAR),
Chairman

Outline of procedure suggested for clearance and re-export of goods i ported for display at exhibition in India

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The authorities sponsoring the exhibition should issue notices preferably in brochure form, to intending exhibitors, setting out clearly and precisely the salient features of the relevant Customs and Trade Control Regulations relating to importation into India of articles for display at the exhibition. These notices should draw special attention to the need for all exhibitors making their invoices and packing lists as detailed as possible so as to facilitate identification and valuation of each article imported for display.

2. The entire exhibition premises should be declared a bonded area for Customs purposes and Customs staff should be posted at strategic points, throughout the exhibition, and, during the period immediately before and after it, until all imported goods are cleared.

3. On arrival of the goods at an Indian Port, a bond should be taken from the importer binding him to re-export the goods at the end of the exhibition, or to account for them satisfactorily. *A bill of entry need not be filed at this stage*...The goods should then be allowed to move to the site of the exhibition. If this is situated at the port of importation, the goods should usually be escorted by Customs staff. If it is situated in any other city, the packages should be sealed and despatched there addressed to the senior Customs or Excise Officer having jurisdiction, and the railway receipt should also be sent to the same authority for prompt action.

4. Bank's guarantees for bonds should not be insisted upon and bonds with a surety from a person or firm known to the Collector, or a certificate from an Embassy or Consular office, should be accepted. If the goods are imported directly by an Embassy or a Consulate, an undertaking in ordinary letter form should normally suffice. The alternative or option, of depositing a reasonable security should be allowed.

5. As a detailed assessment is not considered necessary the amount of the deposit, or of the bond, should be based on an *ad hoc* percentage applied to the value of the goods (as shown in the invoices), the percentage depending upon the general nature of the goods and the rate of duty (and Import Trade Control penalty) applicable thereto.

6. *The Bill of Entry for bond should be filed by the importer, and the necessary visual check by Customs should be made, at the exhibition grounds*, when the package are opened for display. Sufficient Customs staff should be provided for this purpose.

7. The Bill of Entry for bond need show, at this initial stage of entry into the grounds, *only the general description and total value of the goods with a declaration by the importer that the goods are as per detailed invoices and specifications attached.* Since by far the major

the Central Board of Revenue and of the Collectorate of Customs or Central Excise concerned, should be placed on special duty for a few months to see that things work smoothly and any complaints, or hold-ups, are promptly attended to by immediate reference to the key authority involved.

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(F. C. BADHWAR),
Chairman

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7. The Bill of Entry for bond need show, at this initial stage of entry into the grounds, *only the general description and total value of the goods with a declaration by the importer that the goods are as per detailed invoices and specifications attached.* Since by far the major

portion of goods will be ultimately re-exported, *no attempt should be made at that stage to complete the Bill of Entry in detail in the ordinary way.* It will be sufficient for the Appraiser to make a random physical check with the invoice and/or packing specifications and sign those documents which should remain filed with the Bill of Entry.

8. It will always be open to the Customs staff to check the description and value of any articles at any time while the exhibition is in progress, but they will be expected to exercise reasonable discretion.

9. If any goods are sold during the exhibition, their removal from the premises should be postponed until the exhibition is closing, except at the express request of the authority sponsoring the exhibition and then only after recovery of duty, and production of an import licence where necessary, to the satisfaction of the Customs staff.

10. The Bill of Entry ex-bond will show the exact particulars and values for assessment purposes. The Appraiser, who checks the goods at the time of repacking for re-export, will certify the description and the value of any goods retained or sold, after checking against the detailed invoices and specifications produced at the time of importation. Duty should then be collected, and an import licence should be called for, and all other steps normally necessary at the time of importation should be taken, before the goods are cleared from Customs jurisdiction for home consumption.

11. At the time of the closure of the exhibition, the importer should file an ex-bond shipping bill at the exhibition grounds, and the repacking for export purposes should be done under Customs supervision at the grounds. The packages will be sealed by the Customs at the site, so that, at the port of re-exportation, no other formality except that of checking the seals need delay shipment.

12. If in the course of the demonstration of machines which are exhibited, certain articles are manufactured, the fact should be noted by the Customs Staff on duty at the exhibition grounds. The disposal of such articles, if made from imported bonded materials, should be arranged in accordance with the prevailing rules covering the import and export of like articles. If *ad hoc* disposal is proposed, this should be to the satisfaction of the customs staff.

13. Since imported goods will be treated as lying in bond, throughout the duration of the exhibition, no import licences will be necessary at the time of importation.

Letter No. GRC 169/57 dated 21st December 1957 addressed by the Committee to the Secretary to the Government of India, Ministry of Finance (Department of Revenue), New Delhi.

SUBJECT:—*Postal parcels addressed to U.N./Diplomatic Missions or their officers entitled to Customs Exemptions—treatment of—*

Printed lists of the names of U.N./Diplomatic officers entitled to Customs exemptions (hereinafter referred to as "diplomatic lists") have, it is understood, already been supplied by the Ministry of External Affairs to the Customs administrations in the country. Where this has not been done the Customs administrations concerned should arrange to provide themselves with sufficient copies of these lists without delay.

2. It is essential that no delays or inconvenience by Customs assessment be caused to newly appointed diplomats and for this purpose it is very important that Customs administrations should be aware of changes in these lists as soon as they occur. Such changes will normally be reported by the U.N./Diplomatic Missions to the Ministry of External Affairs, who, in turn, will communicate them immediately, through the usual 'Channels' to the Customs Sections directly concerned (*e.g.* the Postal Appraising Section) curtailing the period for sending such information to the minimum.

3. The Customs Organisations concerned should take special care to keep their diplomatic lists up to date.

4. If the name of the Mission is mentioned on the Postal parcel, but the diplomatic officer's designation is omitted, the Customs Officer should consult the diplomatic list to ascertain the designation. If it is established from the list that the parcel has been addressed to a diplomatic officer entitled to customs exemptions, the parcel should be released without assessment to duty, and the addressee officer requested, by post, to arrange that his designation is indicated on future parcels addressed to him.

5. As reasonably sufficient statistical particulars are usually available on the Customs labels attached to such parcels, customs officers should try to extract, the statistics that are required from these labels. Where this cannot be done but the address on the parcel is clear enough to establish its entitlement to exemption from duty, insistence on statistical particulars, or an exemption certificate from the mission/officer concerned, whether before or after the release of the parcels, should be avoided. It should be realised that the goods consigned by post to U.N./Diplomatic missions/officers cannot amount to more than a small fraction of the volume of total imports for the diplomatic missions/officers, and are negligible in the context of the import trade of the country

6. Even in those extremely rare cases, where it is considered, for some special reasons, that either an exemption certificate or statistical particulars are essential, an addressed parcel should not be detained pending the production of such certificate/particulars. The parcels should be

realised promptly without being assessed to duty but simultaneously an urgent postal request should be made to the mission/officer to furnish the exemption certificate/statistical particulars within 15 days of the receipt of the parcel. If no response is forthcoming within this period, the matter should be reported to the Head of the Mission by registered post acknowledgement due.

7. Where the addressee of a parcel released only after assessment to duty ultimately turns out to be a U.N./Diplomatic officer entitled to Customs exemptions, such officer should be permitted to return the parcel, without taking delivery, and be given an immediate cancellation of the demand for duty on forwarding an exemption certificate to the Postal Appraisement section.

8. If, in a case of the type described in the previous paragraph, the officer pays the duty and makes a request for refund, supported by an exemption certificate, the refund should be paid with the utmost expedition; a special refund procedure should be devised for this purpose which would ensure that such refunds are paid within 15 days of the receipt of the claim.

TTER NO. CRC 169/57, DATED 25-1-58 ADDRESSED BY THE COMMITTEE TO THE SECRETARY TO THE GOVERNMENT OF INDIA, MINISTRY OF FINANCE (DEPARTMENT OF REVENUE), NEW DELHI.

SUBJECT:—*Packages arriving by air or sea for Diplomatic/U. N. Missions or their officers entitled to Customs exemption—procedure for release of—*

It has been represented to the Committee that the clearance of ckages arriving from abroad either by air or by sea, for Diplomatic/ N. Missions, or members of their staff entitled to Customs exemptions are t receiving the requisite degree of priority for early clearance from the stom Houses. In order that such packages may be expeditiously eased to the addressees, the Committee recommend that the following ocedure should be observed.

(i) Where the packages contain articles despatched on an indent from a Diplomatic/U. N. Mission or authorised officer, the Mission or the officer should furnish the Customs with full particulars of the contents and the value of the packages in the exemption certificate and the Customs Bill of Entry.

(ii) Where the goods have been received without having been previously indented for by the Mission/officer the exemption certificate as well as the Customs Bill of Entry should be endorsed by a competent officer of the Mission with declaration to the effect that full particulars of contents and value will be furnished to the Custom House within 15 days of the release of the parcel by Customs. The details and values when furnished by the Mission/officer should normally be accepted by the Customs except in those very rare cases when there are obvious errors and inconsistencies.

(iii) Bills of Entry and certificates of exemption should be presented to the Customs authorities either by a licensed or registered Customs clearing agent or an official of the Mission who is authorised to answer relevant questions.

(iv) Such Bills of Entry and exemption certificates should be handled by a Customs Officer or Officers specifically designated for the purpose, and adequate indication should be given by sign-boards, notices etc., as to where and when such officers are available. Wherever possible, it should be arranged that the names and designations of such officers are indicated also in the local Telephone Directory and intimated before hand to the Missions with whom they have to deal.

(v) Requests, if any, for additional information should be clearly and fully recorded on the Bill of Entry by the Customs

officer who requires such data. Where invoices or other documents are furnished with the Bill of Entry, such requests would not ordinarily be necessary, because the Customs Officer should be able to extract whatever information is wanted from these documents with the assistance of the clearing agent/official mentioned in (iii) above.

(vi) Since goods consigned to the Diplomatic/U. N. Missions are not intended for trade purposes, no attempt need be made to "code" them in the Bill of Entry for trade returns, before delivery of the goods. ....

2. The Diplomatic/U. N. Missions should be advised of this procedure.

Government of India

Ministry of Finance (Department of Revenue)

CUSTOMS REORGANIZATION COMMITTEE

Telegrams: "CUSCOM"
Telephone: 43936

Central Revenues Building,
Mathura Road, New Delhi.
Dated, 23rd January, 1958.

CRC/149/57

From:

The Chairman,
Customs Reorganization Committee.

To

The Secretary to the Government of India,
Ministry of Finance (Department of Revenue),
New Delhi.

SUBJECT:—*Changes in Customs procedure affecting Diplomatic/U.N. Missions.*

It has been represented to the Committee that much confusion, some misunderstanding and occasional hardships could be avoided, if changes in Customs policies and procedures that concern Diplomatic/U.N. Organizations could be intimated to these bodies in adequate time before they are actually introduced. This will permit these organizations, and individual members of their staff, to make their own relevant and necessary adjustments. The periods of advance notice suggested by various Missions differ with the nature of the change contemplated but the Committee feel that on the whole, about three months notice should generally suffice to meet most situations. Changes in Indian Customs procedures that affect Diplomatic/U.N. Missions have nearly always to be intimated to, and noted by, the corresponding authorities in the countries that maintain these Missions, and very often commitments and instructions already issued, have to be modified or revised.

F. C. BADHWAR,
Chairman.

Memorandum issued to Chambers of Commerce and Trade Associations in India

Government of India.

Ministry of Finance (Department of Revenue),
CUSTOMS REORGANIZATION COMMITTEE

C/o The Collector of Central Excise,
Central Revenues Building,
Hardinge Bridge, Mathura Road,
New Delhi.
4th March, 1957.

To

Chambers of Commerce/
Trade Associations

Dear Sir,

Customs Reorganization Committee

Enclosed for your information are:—

(i) A copy of the *Resolution of the Government of India, appointing this Committee.

(ii) A copy of the Press Note issued by the Committee after its preliminary meeting on 25th February 1957.

2. The extent to which this Committee can adopt correct approaches to its many sided investigations, and the ultimate results of its labours, will depend to a large extent on the data and co-operation provided by those with many years of experience in the subject-matter of the enquiry. The Committee will of course take careful note of the views of Chambers/Associations of Commerce and Industry but it would also, in this context, welcome proposals for improvements from individual importers/exporters who have had first hand dealings with various customs regulations and procedures. The Committee would, therefore, particularly request you to be good enough to provide your constituents with opportunities to write direct to the Committee, if they so desire, on any subject relevant to this investigation.

3. The Committee would also like to point out that the collection of a mass of discursive material at this stage will not be conducive to the immediate objective which the Committee has in mind *viz.* the framing of a precise, topical and appropriately classified questionnaire. The Committee will, therefore, be grateful if the attention of your constituents is drawn to the value of relating their memoranda to the terms of reference of the Committee. Separate paragraphs for different subjects (which could be displayed as paragraph headings), will be most helpful in

*Please see Chapter I, Part I.

examining in detail the exact nature of each problem or suggestion for improvement.

4. It may please be noted that the last date suggested for the receipt of such memoranda in the Committee's office is the 31st March, 1957. The purpose of this is to enable the Committee to prepare and circulate a useful questionnaire in good time.

5. Chambers/Associations and their constituents will have another, and perhaps fuller, opportunity for making known their views to the Committee after the questionnaire has been issued.

Yours faithfully,

(Sd.) F. C. BADHWAR,

Chairman.

PRESS NOTE

The Government of India recently announced the setting up of a Committee, under the Chairmanship of Shri F. C. Badhwar, to investigate the methods and practices being followed by the Customs Department and to make recommendations for modernising the many different aspects of this organization with a view to simplification of procedures and speedier and more efficient disposal of its work generally. This Committee held a preliminary meeting at Delhi on the 25th February to assess the nature and volume of its task and to fix a programme for the various stages of its activities.

Ordinarily, the first step in investigations of this kind is to issue a questionnaire to the interests mainly concerned and to base subsequent action on the data thus collected. The Customs Reorganization Committee feel, however, that better results will be obtained, and time saved in the long run, if it commences its task by first giving trading and commercial concerns, as well as departmental authorities, an opportunity to indicate their more pressing problems and difficulties. This course is calculated to assist the Committee in framing a topically important and balanced questionnaire and also to help in fixing priorities for investigation, as well as to high light items on which concentration will be advantageous.

The Committee will be grateful if in response to this press note, and also in answer to invitations being addressed separately to commercial, industrial and some Government bodies, concise memoranda on the working of the various sections of the Customs Department are sent to it by those interested in this subject. Practical suggestions to deal with delays, difficulties, out-of-date methods or cumbersome procedures will be particularly valuable at this stage. Such memoranda should be addressed to:—

The Secretary,
The Customs Reorganization Committee,
C/o The Collector of Central Excise,
Central Revenues Building,
Hardinge Bridge, Mathura Road,
New Delhi.

and should, if possible, reach him by the 31st of March 1957.

List of Chambers of Commerce and Trade Associations in India to whom the memorandum dated 4th March 1957 was issued.

S. No. Name and address

1. Upper Assam Chamber of Commerce, P.O. Jorhat (Assam).
2. Associated Chamber of Commerce of India, Royal Exchange, Calcutta.
3. Bengal Chamber of Commerce and Industry, Royal Exchange, P.B. No. 280, Calcutta.
4. Bengal National Chamber of Commerce, P—11, Mission Row Extension, Calcutta.
5. Bharat Chamber of Commerce, 195, Harison Road, Calcutta.
6. Eastern Chamber of Commerce, 15 Clive Row, Calcutta—7.
7. Hindustan Chamber of Commerce, 14/2, Clive Row, Calcutta.
8. Indian Chamber of Commerce, "India Exchange", Royal Exchange Place Extension, Calcutta.
9. Merchants Chamber of Commerce, 173, Harison Road, Calcutta.
10. Bihar Chamber of Commerce, Patna.
11. Africa and Overseas Exporters Chamber, 31, Peoples Building, 4th floor, Phirozeshah Mehta Road, Bombay—1.
12. Bombay Chamber of Commerce, & Industry, Mackinnon Mackenzie's Building, Ballard Estate, Bombay.
13. Gujrat Vepari Mahamandal, "Gujrat Samachar" Building, Khanpur, Ahmedabad.
14. Indian Merchants' Chamber, Lalji Naranji Memorial, Indian Merchant's Chamber Building, Back Bay Reclamation, Fort Bombay.
15. Federation of Gujrat Mills and Industries, Baroda.
16. Iron, Steel and Hardware Merchants Chamber of India, Steel Chambers, 153, Narayan Dhuru Street, Bombay—3.
17. Karnatak Chamber of Commerce, Hobli.
18. Maharashtra Chamber of Commerce, 12, Rampart Row, 3rd floor, Fort, Bombay.
19. Maharatta Chamber of Commerce and Industries, 587/9, Shukrawar Peth, Tilak Road, Poona—2.
20. Poona Merchants Chamber, 185, Bhawani Peth, Poona—2.
21. Surat Chamber of Commerce, Surat.
22. Western Indian Chamber of Commerce, 232—234, Kalbadevi Road, Bombay.
23. Central Council of Refrigeration and Air Conditioning Traders Association of India, Post Box No. 563, New Delhi.
24. Delhi Chamber of Commerce, Dilbar Building, Original Road, Paharganj, Delhi.

25. Federation of Indian Chamber of Commerce and Industry, 28, Ferozeshah Road, New Delhi.

26. Punjab and Delhi Chamber of Commerce, Sciendia House, New Delhi.

27. Punjab Merchants Chamber, Sadar Bazar, Delhi.

28. Federation of Biscuit Manufacturers of India, 17, Alipur Road, Delhi—6.

29. United Chamber of Trade Association, Katra Rathi, Nai Sarak, Delhi.

30. The Roller Flour Millers' Federation of India, Sciendia House, Curzon Road, Post Box 24, New Delhi.

31. Berar Chamber of Commerce, Rajasthan Building, Akola.

32. Madhya Pradesh Chamber of Commerce, Suriya Villas, Temple Road, Civil Station, Nagpur.

33. Mahakoshal Chamber of Commerce, Jubbulpur.

34. Nagpur Chamber of Commerce Limited, New Cotton Market, Nagpur.

35. Andhra Chamber of Commerce, Andhra Chamber Building, 272/3, Angappa Naick Street, Madras—1.

36. Calicut Chamber of Commerce, Kozhikode

37. Chamber of Commerce, Nagapatam.

38. Cochin Chamber of Commerce, Post Box No. 16, Cochin.

39. Coimbatore Chamber of Commerce, Coimbatore.

40. Hindustan Chamber of Commerce, 308/9 Linghi Chetty Street, Madras.

41. Godavari Chamber of Commerce, Cocanada.

42. Indian Chamber of Commerce, 14/73 Oppanakara Street, Coimbatore.

43. Indian Chamber of Commerce, Guntur.

44. Indian Chamber of Commerce, Tuticorin.

45. Indian Leather Federation, Melvesharam (North Arcot Distt.) Madras.

46. Italian Chamber of Commerce for Great Britain and Commonwealth, 11/20, Mount Road, Madras.

47. Kanara Chamber of Commerce, Post Office Box No. 110, Bunder Mangalore (S. K. District).

48. Madras Chamber of Commerce, Dara House, First Lane Beach, Madras.

49. The Madura Ramnad Chamber of Commerce, 90—92, East Avanimoola Street (2nd floor) Maduri, Madras.

50. Malabar Chamber of Commerce, Calicut.

51. North Malabar Chamber of Commerce, North Malabar Cannanore

52. Salem District Chamber of Commerce, Salem.

53. Southern Indian Chamber of Commerce, Indian Chamber Building, North Beach, Madras.

54. Tamil Chamber of Commerce, No. 119 Armenian Street, Madras.

55. Tuticorin Chamber of Commerce, Tuticorin.
56. The Virudhunagar Chamber of Commerce, Ltd., Virudhunagar.
57. Mysore Chamber of Commerce, Bangalore.
58. Orissa Chamber of Commerce, Chandhi Chowk, Cuttack.
59. Northern India Chamber of Commerce, Desi Beopar Mandal, Ambala Cantt.
60. Saurashtra Chamber of Commerce, Mahatma Gandhi Road, Laki Bazar, Bhavnagar.
61. Chamber of Commerce, Trichur.
62. Indian Chamber of Commerce, Mattanchari Post Office, Cochin–2.
63. Northern Travancore Chamber of Commerce, Alwaya.
64. Travancore Chamber of Commerce, Alleppy, Travancore.
65. Jaipur Chamber of Commerce, Johari Bazar, Jaipur.
66. Rajasthan Chamber of Commerce & Industry, Johari Bazar, Jaipur City.
67. Agra Merchant's Chamber Limited, Bari Kothi Belanganj, Agra.
68. Merchant's Chamber of United Provinces, 15/23 Civil Lines, Kanpur.
69. National Chamber of Industries and Commerce, Belanganj. Agra.
70. Silk Merchant's Chamber of Commerce, Banaras.
71. United Provinces Chamber of Commerce, 15/27 Civil Lines, Kanpur.
72. Upper India Chamber of Commerce, Civil Lines, Kanpur.
73. Western Uttar Pradesh Chamber of Commerce, Meerut.
74. Merchant's Association, Shyamganj, Barielly.
75. Vindhya Pradesh Chamber of Commerce, Satna.
76. Federation of Commerce and Industries, 352, Sultan Bazar, Hyderabad, Deccan–1.
77. Association of Rubber Manufacturers in India, 57-B, Free School Street, Post Box. No. 391, Calcutta.
78. Automotive Manufacturers Association of India, 102–A, Netaji Subhash Road, Calcutta.
79. President, Accountants Library, 3, Govt. Place West, Calcutta–5.
80. Bengal Mill-owners Association, 2, Church Lane, Calcutta.
81. Calcutta Accident Insurance, 2, Clive Street, Calcutta.
82. Calcutta Trades Association, 18–H Park Street, Stephens Court, Corner of Middleton Row, Calcutta–16.
83. Calcutta Yarn Merchants' Association, 89, Cross Street, Calcutta.
84. Engineering Export Promotion Council, India Exchange, Calcutta–1.
85. Engineering Association of India, India Exchange, Royal Exchange Place Extension, Calcutta–1.
86. Indian Chemical Manufacturers Association, 12, Netaji Subhas Road, Calcutta.

87. Indian Electrical Manufacturers' Association, 35, Stephen House, 4 Dalhouse Square, Calcutta.

88. Indian Engineering Association, Royal Exchange Building, Clive Street, Calcutta.

89. Indian Jute Mills Association, Royal Exchange Building, Clive Street, Calcutta.

90. Indian Mining Federation, 15, Clive Street, Calcutta.

91. Indian Mining Association, 2, Clive Street, Calcutta.

92. Indian Paper Mills Association, 23—B, Netaji Subhas Road Calcutta.

93. Indian Sugar Mills Association, 102 A, Clive Street, Calcutta.

94. Indian Tea Association, 2, Clive Street, Calcutta.

95. Marwari Association, 160, Chittarenjan Avenue, Calcutta.

96. Mining, Geological and Metallurigical Institution of India, 27 Chowranghee, Calcutta.

97. Vitreous Enamelles Association, 6012, Dharmtala Street, Calcutta-13.

98. Bihar Food Industries Association, Post Box No. 7, Patna.

99. Indian Colliery Owners' Association, Post Box No. 70, Dhanbad.

100. The Silk Mills Owners Association, Bhagalpur.

101. Bihar Industries Association, Post Box No. 7, Patna (Bihar).

102. Ahmedabad Mill & Gin Store Merchants Association, Reid Road, Railway Pura, Ahmedabad.

103. Ahmedabad Cotton Merchants Association, Maneck Chowk, Ahmedabad.

104. All India Bobbin Manufacturers Association, 5, Ali Chambers, First Floor, Tamarind Lane, Fort, Bombay.

105. All India Exporters Association, Churchgate House, Churchgate Street, Fort, Bombay.

106. All India Glass Merchants Association, 116, Abdul Rehman Street, Fort Bombay.

107. All India Importers Association, Churchgate House, Churchgate Street, Fort, Bombay.

108. All India Manufacturers' Organisation, Co-operative Insurance Building, Sir Pherozshah Mehta Road, Bombay-1.

109. All India Plastic Manufacturers' Association, Chowpatty Chambers Sandhurst Bridge, Bombay-7.

110. All India Radio Merchants' Association, Fateh Manzil, Opera House, Bombay.

111. All India Sindwork Merchants' Association, Commissariat Building, 4th floor, 231, Hornby Road, Bombay.

112. Association of Indian Industries, Industries Assurance Building, Opposite Churchgate Station, Bombay.

113. Association of Merchants and Manufacturers of Textile Stores and Machinery, Sir Vithaldas Chamber, Top Floor, 16 Appollo Street, Fort, Bombay.

114. Bombay Bullion Association Ltd., Shiekh Memon Street, Bombay.
115. Bombay Chartered Accounts Society, 65, Mahatma Gandhi Road, Bombay.
116. Bombay Iron Merchants Association, 247, Argyle Road, Carnac Bunder, Bombay.
117. Bombay Mill-Owners Association, 1, Patel House, Churchgate Street, Bombay.
118. The Bombay Oil-seed Exchange Limited, Jenabai Building, Masjid Bunder Road, Bombay.
119. Bombay Piecegoods Merchants' Association, Seth Moolji Jetha's Cloth Market Hall, Bombay.
120. Bombay Woollen Piece Goods Merchants Association Seth Moolji Jetha's Cloth Market Hall, Bombay.
121. Cotton Buyers Association, Imperial Bank Building, Annexe, Bank Street, Fort, Bombay.
122. Daccans Manufacturers' and Employers Association, 43, Shivji Nagar, Sangli.
123. East Indian Cotton Association Limited, Cotton Exchange Building, Kalbadevi Road, Bombay.
124. The Vanaspati Manufacturers Association of India, 5th Floor, India House, Fort, Bombay.
125. Electric Merchants Association, Vithal Sayana Building, No. 2, Lohar Chawl, Bombay-2.
126. Federation of Motor Transport Association, Bombay Garage Chowpatty, Bombay.
127. Grain and Oilseeds Merchants Association, 82–80, Masjid Bunder Road, Bombay.
128. Ichal Karanji Powerloom Weavers Co-operative Association Ltd., Iohal, Karanji.
129. Indian Motion Picture Producers Association, Sandhurst Building, Sandhurst Road, Bombay.
130. Indian Road and Transport Development Association, 27, Baston Road, Bombay.
131. Indian Rubber Industries Association, Rehimtoola House, Homji Street, Bombay-1.
132. Cinematograph Reuters Society of India, Burma and Ceylon, Haroon House, Bazar Gate Street, Fort, Bombay.
133. Leather Goods Manufacturers' and Dealers Association 137, Princes Street, Bombay.
134. Maharashtra Karkhandar Sangh (Maharashtra Manufacturers' Association), 625, Sadashive Peth, Post Box No. 33, Poona-2.
135. Maskat Cloth Market Association, Maskati Cloth Market, Railway Pura, Post Box No. 2, Ahmedabad.
136. Mill Gin Store Merchant Association, 109–111, Nagdevi Street, Bombay-3.
137. Motion Picture Society of India, Sandhurst Building, Sandhurst Road, Girgaum, Bombay.

138. Native Share and Stock Broker's Association, Dalal Street, Fort, Bombay.

139. The Tax-payers' Association of India Ltd., Fort, Chamber A, 3rd Floor, D-Lane, Hamam Street, Fort, Bombay.

140. Panchkuva Cloth Merchants' Association, 518, Panch Kuva, Ahmedabad.

141. Paper Traders Association, 54, Sutar Chawl, Bombay.

142. Pharmaceutical and Allied Manufacturers and Distributors Association, Savey Chambers, Wallace Street, Post Box No. 24, Bombay.

143. Scientific and Surgical Instrument Manufacturers and Traders Association, 128, Princess Street, Bombay-2.

144. Western Indian Sheet Rollers Association, Kamani Chambers, Nicol Road, Ballard Estate, Fort, Bombay.

145. The Bombay Yarn Merchants Association and Exchange, Limited, 111, Chawala Building, Tamba Kenta, Bombay-3.

146. The Indian Economic Association, School of Economic and Sociology, University of Bombay, Bombay-1.

147. The Central Organisation for Oil Industry & Trade, 281—83, Nershi Natha Street, Bhat Bazar, Bombay-9.

148. Bombay Industries Association, C/o Kamani Metals Alloys Ltd., Agra Road, Kurla, Bombay.

149. The All India Food Preservers Association, 210, Chawri Road, Girgaum, Bombay.

150. Agricultural Machinery Dealers and Manufacturer's Association of India, Pratap Building, Connaught Circus, Post Box No. 269, New Delhi.

151. All India Glass Dealers Syndicate, Below Coronation Hotel, Chandni Chowk, Delhi.

152. All India Glass Manufacturers Association, Top Floor, Plaza Cinema, Connaught Circus, New Delhi.

153. All India Kisan Congress, 2, Ferozshah Road, New Delhi.

154. Delhi Hindustani Mercantile Association, Chandni Chowk, Delhi.

155. Delhi Motor Traders Association, Kashmere Gate, P.O. Box No. 1098, Delhi-6.

156. Delhi Piecegoods Association, Katra Neel, Chandni Chowk, Delhi.

157. Federation of Rural People's Organisation, 13, Barakhamba Road, New Delhi.

158. Foreign Relations Society, 2 Ferozshah Road, New Delhi.

159. Indian Manufacturers Export Association, Nath Brothers, Kashi House, Connaught Place, New Delhi.

160. All India Oilseeds/Growers Association, Bibulrolu, South India.

161. Bezwada Commercial Association, Bezwada, Madras Presidency.

162. East India Tobacco Federation, Post Box No. 1258, Second Lane Beach, Madras.

163. Madras Kirana Merchants Association, 12, Govindappa Naick Street, Madras-1.

164. Madras Mica Association, Gudur Nellore.
165. Madras Oil and Seeds Association, Post Box No. 1639, No. 320 Linghi Chetty Street, Madras.
166. Madras Piece Goods Merchants Association, Godown Street, Madras.
167. Madras Provincial Foodgrain Merchant's Association, Madras.
168. Madras Provincial Handloom Cloth Merchants Association, 63, Armenien Street, G. T. Madras-1.
169. Madras Traders Association, Mount Road, Madras.
170. Madras Yarn Merchants Association, 2/64, Mint Street, Park Town, Madras.
171. Motor Vehicles and Allied Merchants Association, 1/135, Mount Road, Madras.
172. South India Tanners and Dealers' Association, Ranipet.
173. Southern Indian Mill-owners Association, Race Course, Coimbatore.
174. Southern India Skin and Hide Merchant's Association, Sydenhams Road, Periamet, Madras.
175. The Sea Trade Association of Cochin, P. O. Box No. 84, Fort Cochin-1.
176. United Planters' Association, South India, "Glenview", Coonoor.
177. Western India Tile Manufacturer's Association, Rosaria, Church Road, Mangalore.
178. The West Coast Industries Association, Empress Hotel Road, Kozhikode.
179. The Tuticorin Trades Association, Beach Road, Tuticorin.
180. Madhya Pradesh Mill-owners Association, 11, South Tukoganj, Indore (M.P.).
181. Madhya Pradesh Mining Association C/o The C. P. Manganese Ore Company Limited, Post Box No. 8, Nagpur, (M.P.).
182. East Punjab Cycle Parts Manufacturers Association, Millerganj, Ludhiana.
183. The Engineering Association of North India, G.T. Road, Batala.
184. Indo-Pak Trade Board, Queens Road, Amritsar.
185. Northern India Hosiery Manufacturers Corporation, Ludhiana.
186. Punjab Federation of Industries, Amritsar.
187. Textile Manufacturers Association, Queens Road, Amritsar.
188. The Madhya Bharat Mill-owners' Association, 9, South Tukoganj, Indore.
189. Saurashtra Industrial co-operative Association, Sarathia Boarding House, First Floor, Para Bazar Road, Rajkot.
190. South India Soap Maker's Association, Edo, Cochin, Post Office, Cochin.
191. Travancore Coir Mats and Matting Manufacturers Association, Alleppey, Travancore.
192. Aligarh Lock Traders Association, Aligarh.

193. Kanpur Sugar Merchants' Association, 51/57, Collectors Ganj, Near Shakkar Parri, Kanpur.

194. Employer's Association of Northern India, Kanpur.

195. Indian Bristle Merchants Association, Mahatma Gandhi Road, Kanpur.

196. East Punjab Technicians Association, House No. 45-B, II Mina Ludhiana.

List of Chambers of Commerce, Trade Associations, Firms and Individuals who replied to the memorandum, dated the 4th March, 1957.

S. No. *Name and Address*

1. The Cochin Chamber of Commerce, Post Box No. 16, Cochin.
2. Bharat Chamber of Commerce, State Bank Building, Barra Bazar Branch, Calcutta.
3. Delhi Chamber of Commerce, New Delhi.
4. The Upper India Chamber of Commerce, Kanpur.
5. The Madras Chamber of Commerce, Dara House, First Lane Beach, Madras.
6. Bhuj Chamber of Commerce, Bhuj (Kutch).
7. Indian Chamber of Commerce, Tuticorin.
8. Travancore Chamber of Commerce, Alleppey.
9. Mysore Chamber of Commerce, Bangalore-1.
10. Africa and Overseas Exporters Chamber, Ferozeshah Mehta Road, Bombay.
11. Bengal Chamber of Commerce and Industry, Royal Exchange, Calcutta.
12. Bombay Chamber of Commerce and Industry, Mackinnon Mackenzies Building, Ballard Estate, Bombay.
13. Kashmir Chamber of Commerce, Srinagar.
14. Hindustan Chamber of Commerce, 168, Broadway, Madras—1.
15. Punjab Merchants Chamber, Sadar Bazar, Delhi.
16. Tuticorin Chamber of Commerce, Tuticorin.
17. Indian Chamber of Commerce, India Exchange, Royal Exchange Place, Calcutta.
18. Merchants Chamber of Commerce, 173, Harrison Road, Calcutta.
19. Nawanagar Chamber of Commerce, Jamnagar.
20. The Tamil Chamber of Commerce, Madras-2.
21. Punjab & Delhi Chamber of Commerce, New Delhi.

Associations

22. The Textile Manufacturers Association Queens Road, Amritsar.
23. The Bombay Genuine Pearls Dealers Association, Bombay.
24. Bombay Woollen Piece goods Merchants Association, Seth Mulji Jetha Cloth Market Hall, Bombay.
25. Dawoodi Bohra Merchants Association, 30, Brabourn Road, Calcutta-5.
26. The Cultured Pearls Importers & Exporters Association, 89/95, Zaveri Bazar, Bombay.

27. Madras Mica Association, Gudur (Nellore Distt), Andhra State.
28. The All India Manufacturers Organization, 4th floor, Co-operative Insurance Building, Sir Ferozeshah Mehta Road, Bombay.
29. The Electric Merchants Association, Vithal Saryana Building No. 2, Lohar Chawl, Bombay-2.
30. The Bombay Cutlery, Toys, Glass Beads, and Sundry Merchants Association, 106, Chusari Mohalla, Bombay-3.
31. Bombay Custom House Clearing Agents Association, 46, Veer Nariman Road, Bombay.
32. All India Importers Association, Churchgate House, Veer Nariman Road, Bombay-1.
33. All India Exporters Association, Churchgate House, Churchgate Street, Fort, Bombay.
34. Bombay Customs Dalals Association, CIo CA 55 Ground floor, New Custom House, Ballard Estate, Bombay.
35. The Tea Trade Association of Cochin, P. O. Box No. 84, Cochin.
36. *Leather goods manufacturers' & Dealers Association, Bombay.*
37. The Clearing Agents and freight Brokers Association, Grain Market, Jamnagar.
38. Madras Customs Clearing and Shipping Agents Association, Madras.
39. Sanyukta Vahnvala Association, Veraval.
40. Precious Stones Importers and Exports Association, Bombay.
41. Employers Association of Northern India, Kanpur.
42. Calcutta Kirana (spices) Marchants Association, 29, Armenian Street, Calcutta.
43. All India Bullion Traders Convention, Bombay Bullion, Bombay.
44. Association of Merchants and Manufacturers of Textile Stores and Machinery, Bombay.
45. Muccadam Association, Mandvi, Bombay-3.
46. Scientific and Surgical Instrument Manufacturers and Traders Association, Bombay.
47. Aromatic Traders Association, Sivri House, Calcutta.
48. Western India Tile Manufacturers Association, Mangalore.
49. Crude Drugs Importers, Exporters & Merchants Association Bombay-2.
50. Passengers & Traffic Association, 346, Dadabhoy Naroji Road, Bombay.
51. Indian Paper Mills Association, Calcutta.
52. All India Instrument Manufacturers & Dealers Association, Bombay.
53. India Tea Association, 2, Clive Street, Calcutta.
54. Indian Jute Mills Association, Royal Exchange Building, Clive Street, Calcutta.
55. Association Engineering Corporation, Rajkot.

56. Gujrat Vepari Mahamandal, Ahmedabad-1.

Firms and Individuals

57. S. Vasudevan, Sole Proprietor of E. S. Doraswamy Iyer, Shipping Agents, Old Court Road, Kozhikode.
58. T. E. Thomson & Co. Ltd., 9-A Esplande East, Calcutta.
59. Anchor Line Limited, Ballard Estate, Bombay.
60. Harrison & Crosfield Ltd. Quilon.
61. The standard Mills Company Ltd., Bombay.
62. Narottam Dass Harjiva & Co., C/o Chokshi Norottamdas, H. Building, Khadkhad.
63. M/s Amin Chand Payare Lal, 101 Narayan Dhuru Street, Bombay.
64. M/s Royal Cycle & Motor Co., Broadway, Madras.
65. M/s Chhotubhai & Sons, General Merchants & Commission Agents, 121/123, Kazi Syed Street, Bombay.
66. M/s Jal Cooper, F.R.G.S. Standard Building, Hornby Road, Bombay.
67. M/s Killick, Nixon & Co. Private Ltd., Killick House, Home Street, Bombay-3.
68. M/s Kodak Limited, P. O. Box No. 343, Kodak House Dr. Dadabhai Naoroji Road, Bombay—5.
69. The Bombay Company (Private) Ltd., Bombay.
70. M/s Nowrojee Ardasser & Sons, 24–26 Dalal Street, Fort, Post Box No. 920, Bombay.
71. The Calcutta Steam Navigation Co. Ltd., Fairli Place, Calcutta.
72. Engineering & Agencies (Private) Ltd., Bombay.
73. The Laxmi Overseas Traders, Gohil Tiles Building, Jamnagar.
74. M/s Vijayam & Co. (Madras) Ltd., 27, Thamber Chetty Street, Post Box 114, Madras.
75. M/s Mani Lal Patel & Co. Clearing Hardwaring & Shipping Agents, Kumar Building, 38, Cowasji Patel Street, Fort, Bombay.
76. M/s Greaves Cotton & Co. Ltd., (Merchants, Engineers & Contractors) Head Office, Bombay.
77. Parekh Shipping Corporation (Shipping, Insurance, Forwarding & Clearing Agents), Kozhikode-1.
78. May & Baker Ltd., Worli, Bombay.
79. Imperial Chemical Industries (India) Private Ltd., Cresent House, Ballard Estate, Bombay-1.
80. P. H. Desai Importer, Exporter & General Merchants, 5th Vithal Wadi, Bombay-2.
81. Calcutta International Airlines Committee, C/o. K. L. M. Royal Dutch Airline Chowringhee Road, Calcutta.
82. Narayan Timber Works, 6/23, Strand Road, Calcutta.
83. Oil Industry Supply Committee, Burmah Shell House, Post No. 688, Bombay.

84. The British Broad-Casting Corporation, Prem House, Connaught Place, New Delhi.

85. M/s Goyal (Private) Limited, Dum Dum, Calcutta.

86. M/s Shanti Lal Seth & Company, Exporters & Importers Sekhsaria Building, 446, Sandhurst Road, Bombay.

87. The Associated Cement Company Ltd., Cement House, 121, Queen's Road, Post Box No. 397, Bombay-1.

88. The African Trading Co. Ltd., Importers, Exporters & Commission Agents, 81, Khand Bazar, Bombay-3.

89. M/s Cox & Kings (Agents) Limited, P-17, Mission Row Extention, Calcutta-13.

90. M/s Abdul Aziz Noor Mahomed, Saifi Satel, Karimji Building, Musafar Khana Road, Bombay-5.

91. Turner Morrison & Co. Private Ltd., 16, Bank Street, Bombay.

92. The Gramophone Company Ltd., Post Box No. 48, Calcutta.

93. The Scindia Steam Navigation Co. Ltd., Scindia House, Dougal Road, Bombay-1.

94. The Imperial Tobacco Company of India Ltd., Post Box No. 89, Calcutta-1.

95. M. M. Mulla, 91, Undria Street, Bombay.

96. India Steamship Company Limited, India Steamship House, 21, Old Court House Street, Calcutta.

97. M/s Volkart Brothers, P. O. Box No. 3, Cochin.

98. M/s Jeewan Lal (1929) Ltd., Aluminium Ware Manufacturers, 127, Mint Street, P. B. 1389, Madras.

99. Indian Magicians Academy, Block 65, Bhatia Bhawan, Ash Lane Dadar, Bombay-28.

100. The Peterson Engineering Company, 21, Theatre Road, P. O Box 680, Calcutta-16.

QUESTIONNAIRE ISSUED BY THE COMMITTEE TO THE PUBLIC

IMPORTANT: *It will facilitate the work of the Committee considerably if the procedure shown below is followed*

I. The Committee will be grateful if each reply is prefaced with full particulars of the organization, or individual, that is answering this questionnaire. This is especially desirable in the case of Associations or Federations of firms or Chambers of Commerce and Industry.

II. Please send *six copies* of your answer to

The Secretary,
Customs Reorganization Committee,
Central Revenues Building,
Mathura Road,
New Delhi-1,

so as to reach him *not later than the* 31*st July* 1957.

III. Please answer *each part* of a question separately, showing against it its *Serial No., Part No.* and *Text,* thus:—

"144. *Machinery for adjudication, appeals and revision petitions. Have you any comments to make generally on the set-up of the authorities empowered by the existing law.*

* * * * * * *

(ii) *to revise decisions of subordinate authorities?*

(*Sections* 190 & 190*A*)

* * * * * * *

and what modifications, if any, would you suggest, with due regard to the need for expert knowledge on the part of adjudicating, appellate and revisionary authorities?"

Answer:

IV. Please use only one side of the paper.

V. Precise answers avoiding generalities will be appreciated. The Committee hopes that brevity can be combined with clarity in this case and your answers concentrated on major matters of substance.

VI. Please note in this connection that the Committee is required to examine issues of general importance, and is not intended or equipped to deal with individual grievances.

VII. Wherever possible, please include suggestions for practical solutions of the defects and problems dealt with, illustrating your proposals with concrete examples, and stating your reasons.

VIII. In framing your answer, please bear in mind that it is necessary, in the national interest, to safeguard Government revenues, and to retain effective measures, not necessarily time-consuming or irksome, for implementing the various import/export/exchange and other controls.

IX. Please indicate the specific subjects on which you would like to be personally heard by the Committee, underlining your request in *red ink*. It should, however, be appreciated that the Committee may not find it possible to arrange an oral hearing in all such cases.

X. The Committee has attempted to indicate the sections of the Sea Customs Act, 1878, where these may be useful for reference. You are advised to obtain a copy of (i) the Act and (ii) the Indian Sea Customs Manual (fifth edition).

NEW DELHI;
The 16*th May* 1957.

F. C. BADHWAR,
Chairman.

SECTION I

PROCEDURE AFFECTING VESSELS IN PORT AND STEAMER AGENTS—SEA CUSTOMS

1. Boarding officers

What difficulties, if any, have you felt in connection with

(i) the number of Customs officers required to board a vessel on arrival in ports? *(Section 67)*

(ii) the accommodation and other amenities to be provided for such officers while remaining on board? *(Section 68)*.

(iii) the powers they exercise while on board? *(Sections 69—71)*.

(iv) any other matters relating to the discharge of their duties by boarding officers?

2. Non-working days and working hours for vessels

What difficulties, if any, have you felt in regard to

(i) the fixation of certain non-working days for the landing and shipping of goods? [*Section* 72 (*a*)]

(ii) the restriction of landing and shipping to certain fixed hours on working days? [*Section* 72 (*b*)]

(iii) the recovery of overtime fees for landing and shipping of goods on (a) non-working days, (b) outside working hours on other days?

3. Boat

What difficulties, if any, have you experienced in

(i) the operation of the boat-note system? *(Section 76)*.

(ii) the licensing and registration of cargo boats for the landing and shipping of goods within port limits? *(Section 79)*.

4. Import General Manifest

What difficulties, if any, have you experienced in

(i) observing the time-limit laid down for the lodging of the Import General Manifest with Customs? *(Sections 53 & 54)*.

(ii) lodging the manifest under the "prior entry" system? *(Section 54-A)*

(iii) furnishing the prescribed particulars in the manifest? *(Section 55)*.

(iv) amending the particulars in the manifest when necessary? *(Section 55)*.

(v) furnishing the Customs with any other documents in connection with the manifest? *(Section 58)*.

(vi) accounting for the cargo as shown in the manifest? [*Sections 64 and* 167 (17)].

5. Breaking of bulk

(i) If the time allowed under the present regulations for the discharge of import cargo is insufficient/excessive, what should it be, and why? *(Sections 71 and 55)*

(ii) What difficulties, if any, have you felt in the implementation of the procedure permitting, under a special pass, the landing of goods prior to the receipt of the manifest by Customs, and to the entry inwards of the vessel? *(Section 55)*

(iii) Is there anything in the Customs procedure, generally, which prevents the expeditious landing of goods from vessels?

6. Port clearance

What difficulties, if any, have you experienced in complying with the regulations governing the grant of port clearance to vessels? *(Sections 61 to 66)*

7. Ship's stores

What are your difficulties, if any, in regard to the Customs treatment of ship's stores?

8. General

What other difficulties, if any, have you felt in relation to the Customs regulations governing Vessels in Port?

Section II

IMPORT: CARGO—APPRAISEMENT—GENERAL

Form of Bill of Entry/Import Application

(i) Have you any suggestions to make regarding

(a) improvement of the form which has been prescribed for the "Bill of Entry for Home Consumption/Bond" or the "Import Application?"

(b) the number of copies of the form which are required to be filed?

(ii) What difficulties, if any, have you felt in furnishing the prescribed rticulars in a Bill of Entry/Import Application?

. "Noting" of Bill of Entry in Import Department

(i) Where a Bill of Entry is "noted" in the Import Department witht any objections being raised by the "noter", what, in your experience, the minimum/maximum time normally taken in "noting"?

(ii) If in your view, the time taken for "noting" in such cases in exssive, what do you think the time allowance should be, and what causes e delays which occur?

(iii) What is the nature of the objections normally raised at the oting" stage? Which of them is, in your view, unimportant or imaterial and why?

(iv) Which prescribed processes, if any (e.g., the entry of the Import rade Control licence number in the Import General Manifest) are, in ur opinion, superfluous at that stage? Why do you consider them necessary?

. Appraising Department—lay-out; working hours

Have you any steps to suggest regarding

(i) the improvement of the physical lay-out of the Appraising Departent in the Custom Houses?

(ii) the working hours of the Department?

(iii) arrangements for working under the system of overtime fees?

2. Interviews

Have you anything to suggest regarding arrangements for interviews ith officers of the Appraising Department?

13. Distribution and movement of bills of Entry/Import Applications, reports etc.

(i) What defects, if any, have you noticed in the arrangements

(a) for the distribution of the Bills of Entry/Import Applications among the Appraisers/assessing officers concerned, on receipt into the Appraising Department after "noting"?

(b) for the movement of the Bills of Entry/Import Applications and the reports etc. in relation thereto, from one section to another in the Department, and for the return of the Bill of Entry/Import Application to the importer's agent?

(ii) If you think it is possible to eliminate one or the other stage through which the Bill of Entry/ Import Application moves, or to postpone it till after the clearance of the goods, please make your suggestion in this regard.

14. Time taken for completion of Bills of Entry/Import Applications in undisputed cases

(i) If no queries of any kind are raised by the Appraiser/assessing officer concerned in connection with the Bill of Entry/Import Application, what, within your experience, is the minimum/maximum time normally taken in.

(a) obtaining an order from the Appraiser/assessing officer for examination, if such order is given prior to assessment?

(b) completion of the Bill of Entry/Import Application by the Appraiser/assessing officer, if the "second appraisement" ("second check") system is employed?

(c) checking, registration and audit of import licences?

(ii) If in your view the time taken for the processes (a) or (b) or (c) above in such cases, is excessive, what do you think should be the time in each case, and what causes the delays which occur?

15. "Second Appraisement" system

If you favour a freer use of the "second appraisement" system, what are your suggestions in this regard?

16. Bills of Entry/Import Applications requiring attention of more than one Appraiser/assessing officer

Delays are reported to occur because a Bill of Entry/Import Application sometimes requires the attention of more than one Appraiser/assessing officer. Have you any alternative method to suggest, consistent with the need for satisfactory appraisement, which would minimize these delays?

17. Transfers and leave of Appraisers/assessing officers; arrangement for substitutes

What difficulties, if any, have you experienced in connection with Appraisers/assessing officers concerned being transferred, or proceeding on leave before completion of Bills of Entry/Import Applications with which they have been dealing?

18. Priorities for Bills of Entry/Import Applications

(i) Have you anything to suggest regarding the order of priority in which the Appraiser/assessing officer concerned handles Bills of Entry/ Import Applications at various stages, *e.g.*, (a) before examination (b) fter examination and (c) after registration and audit of licences?

(ii) Do you think any priorities should be accorded to Bills of Entry/ nport Applications on the basis of (a) the size (b) the urgency etc. of nsignments, and if so, how would you fix them?

19. Appraisement—Documents

(i) Since scrutiny of certain stereotyped papers and documents (*e.g.*, descriptive literature in respect of machinery, bank drafts, licence applications etc.) is frequently necessary for proper verification in the Appraising Department of the declarations made in the Bill of Entry/Import Application, do you think it is possible to anticipate the demand for such papers and documents, and reduce thereby the delay in their production, by presenting them with the Bill of Entry/Import Application when it is first lodged in the Appraising Department? If so, please suggest how his can be done.

(ii) Have you any steps to suggest to improve the Customs procedure for calling for documents/information at the time of presentation of the Bill of Entry/Import Application in the Appraising Department?

20. Staffing of the Appraising Department

Do you think the Appraising Department is inadequately staffed, or that its organization is defective in efficiency or other respects? Please give reasons for, or examples to illustrate, your answer, and your suggestions to remedy the deficiencies.

21. General

Have you any other observations to make on the subjects covered by his Section of the Questionnaire?

SECTION III

IMPORT/EXPORT—APPRAISEMENT: TARIFF CLASSIFICATIO

22. Tariff structure

Have you any representations to make regarding the difficulties, any, caused by the existing *structure* of the Indian Customs Tariff (*e.g* by overlapping definitions) in classifying goods for assessment to

(i) import duty?

(ii) export duty?

23. Departmental procedure

Have you any comments to make on the procedure adopted by A praisers to determine tariff classifications of goods?

24. Inconsistencies in tariff classifications

Have you any suggestions to make to eliminate inconsistencies an lack of uniformity in tariff classifications either at the same port/lan Customs station or between different ports/land Customs stations?

25. Changes in established tariff classifications

What hardship, if any, have you experienced from changes made b assessing officers in well-established and long-accepted tariff classification

26. Notice of changes

Have you experienced any difficulties from a lack or inadequacy of th notice given to the public, of intended changes in tariff classification What do you consider should be the minimum notice in such cases?

27. Importer's liability for tariff classification

Have you any comments to make on the practice stated to be existin in certain Custom Houses requiring importers not merely to describ goods on the *Bills of Entry/Import Applications as in the invoice*, bu also to declare, and accept liability for, the tariff classification unde which the article would fall?

28. Assessment of mixed goods

(i) What difficulties, if any, have you had with the implementatio of the provisions requiring that mixed goods, that is to say, goods mad up of different articles, should be assessed at the highest of the rates appl cable to the individual articles? *(Section 21*

(ii) Please state your objections, if any, to the legal provisions them selves in this respect. *(Section 21*

29. General

Have you anything else to say on this question of Customs Tarif Classifications?

Section IV

IMPORT CARGO—VALUATION FOR ASSESSMENT TO IMPORT DUTY

30. Legal definition of "real value"

Have you any comments to make on the legal definition of "real value" in the Sea Customs Act, 1878? [Section 30].

31. Suggestions for alternative definition

If you have any improved definitions to suggest, please state them with your reasons in support of your suggestion.

32. "Market values": Principle of adoption for valuation

Have you any criticism to make regarding the principle of adoption of "market value" as a basis of valuation? [Section 30 (a)].

33. Method of selection of articles for assessment on market value

Have you any criticism to offer regarding the method of selection of articles for assessment on market value?

34. Determination of market value

What are your objections, if any, to the methods adopted for determination of market values, and of trade discounts for deduction from market values?

35. Assessment on market value at certain ports/land Customs stations and not at others

What are the difficulties, if any, (e.g., diversion of trade) experienced from the assessment of certain articles on market value at one port/land customs station but not at another?

36. Assessment on "invoice value": trade discounts and commission

Have you any suggestions to make regarding the recognition of various kinds of trade discount and commission as admissible items for deduc-tion in the determination of "invoice value" for assessment to import -uty? [Section 30 (b)].

7. Sole agency commission

Have you any criticism to make of the principle, stated to be followed certain Custom Houses, that a sole agent must be responsible for the -ect importation of at least 90 per cent of the agency goods arriving the country, before he can be given the benefit of a deduction from -voice value" on account of sole agency commission?

Assessment on "invoice value": special relationships between foreign supplier and importer

-Vith due regard to the need for a basis of Customs valuation which -not confer an unfair advantage on an importer over his competitor -spect of identical goods, or reduce the valuation to a figure which

does not represent the true commercial value of the goods at the time of importation, have you any criticism to make of the manner in which "real value" is determined by Customs in cases where the relationship between the foreign manufacturer/supplier and the importer is one of

(i) Principal to Principal?

(ii) Principal to Subsidiary?

(iii) Principal to Sole Agent?

39. Forward contracts

Have you anything to say about the consequences flowing from the existing Customs valuation procedure in the case of goods imported against firm forward contracts or other advance trade commitments?

40. "Special contract" procedure

Have you any criticism to make in regard to the Special Contract procedure applicable to the importation of Capital Plant and Equipment, when imported in instalments, whereunder, in order to safeguard the interests of revenue, the value of each instalment is enhanced by 20 per cent, for purposes of assessment, final adjustment being made on completion of the importation? What are your suggestions for simplification of the procedure?

41. "Tariff values"

Have you any suggestions to make regarding

(i) the selection of articles for fixation of "tariff values"?

(ii) the method of determination of tariff values?

(iii) the frequency of fixation of tariff values?

(iv) the departmental administration of tariff values?

(Section 22)

42. Disputes regarding valuation in *bonafide* cases

Where there is a dispute between the Customs and Importer/Exporter about the declared value of the goods, and the *bonafides* of the Importer/Exporter have not been called into question, Section 32 of the S.C.A. provides for the Customs taking over the goods on payment of the declared value. If you are not satisfied with this provision or with the departmental procedure relating thereto, please state your reasons. [Section 32].

43. General

Have you any other representations to make on the question of Customs valuation of imported goods for purposes of assessment?

SECTION V

IMPORT: REGISTRATION AND AUDIT OF IMPORT TRADE CONTROL LICENCES

44. Verification of import licences

What are your difficulties, if any, in processing your Import Trade Control licence through

(i) the Appraiser?

(ii) the Registration Section?

(iii) the Audit Section?

5. Treatment of minor variations from licence particulars

(i) If you are not satisfied with the treatment accorded by Customs to minor variations between the description of the goods as ascertained on importation and as shown in the Import Trade Control licence, please say why.

(ii) What delays or difficulties have you experienced from minor variations in value/date of shipment as ascertained on importation and as shown in the Import Trade Control licence?

46. Co-ordination between Customs and Import Trade Control classifications

It is stated that conflicts frequently arise between the Customs classification as determined by the Appraiser, and the description as shown on the Import Trade Control licence. In order to minimise these conflicts, would it, in your view, be an improvement to apply for, and obtain your licence

(i) separately and specifically for each indent you intend placing abroad? or

(ii) for a number of individual descriptions of articles rather than for a single general trade classification under which all such articles may fall?

[Example of (ii).—If you desire to import various kinds of "toilet re-isites", say, plastic and silver soap boxes, tooth-brushes, tooth-paste, p, shaving cream, and lip stick, would it be a practical proposition make out the application for the licence, and the licence itself, quot-each of these specific descriptions, instead of only the general descrip-, namely, "toilet requisites"? This example may not be entirely typi-but it illustrates the approach that the Committee has in mind].

Transfer of verification of licences to Import Trade Control authorities

re you in favour of the suggestion that the two processes of

(i) assessment,

(ii) checking of Import Trade Control licences,

should be separated, the former being exclusively assigned to the Appraising Department, and the latter exclusively to the local Import Trade Control authorities? If so, please state your reasons, and having regard to the fact that verification of description must, in most cases, necessarily be based on Customs scrutiny, please say whether you feel sure of a substantial saving of time and trouble resulting from the adoption of this separation.

48. Debit of value to import licences

Have you any criticism to make of the practice stated to be existing in certain Custom Houses, of debiting the "market value" or "tariff value" or "deduced value", instead of the "invoice value", to the amount shown on Import Trade Control Licences?

49. Any other suggestions

Have you any other procedure to suggest by which difficulties arising out of Customs scrutiny of goods in respect of Import Trade Control licences could be expeditiously resolved?

SECTION VI

IMPORT/EXPORT: ANALYTICAL TESTS

50. Adequacy of arrangements for analytical tests

If the existing arrangements made by the Customs authorities for chemical, physical and other analytical tests are inadequate in your opinion, please state why you think so.

51. Nature and frequency of tests

Do you consider the tests now being carried out, unnecessary, or too frequent, or too elaborate, in certain cases? If so, why?

52. System of registration of tests

Have you any improvements to suggest in the system of registration of these tests in the department concerned in the Custom House, for facility of reference and application of the test results to subsequent consignments of the same articles?

53. Handling of test reports

If there are any delays or defects in the handling of test reports in the department concerned, please make your suggestions for remedying them.

54. Defects or inconsistencies in tests

Have you any representations to make regarding frequent defects or inconsistencies in analytical tests?

5. Delays in tests

(i) If serious delays occur in the carrying out of analytical tests, what has been the effect of such delays on your import/export business?

(ii) Have you any measures to suggest to reduce these delays effectively?

Reactions on suppliers/customers abroad

What, in your experience, have been, the reactions of suppliers/customers abroad, of the enforcement by Customs, of analytical tests carried out by the Customs laboratories or other Government agencies?

Test certificates of recognized agencies

What are your views regarding acceptance by Customs, of test certificates issued by qualified or registered or recognised international or private analysts?

58. Appellate testing authority

Have you any representations to make regarding the provision which has been made by the Customs department for an appellate authority for retesting samples in cases of disputes between the importer/exporter and the department?

59. General

Have you any other representations to make on this subject of Customs Analytical Tests?

SECTION VII

IMPORT/EXPORT: DETENTION OF GOODS; PROVISIONAL ASSESSMENT; GUARANTEE BONDS

60. Causes of detention

What are the different grounds on which, within your experience, goods are detained by Customs?

61. Avoidable detentions

In which particular cases do you consider detentions are avoidable, and why?

62. Unavoidable detentions

Where detention is considered unavoidable by Customs,

(i) can you suggest an appropriate procedure by which (a) the scale (b) the period of detention can be minimised without risk to revenue, or to the effective administration of the various controls, as the case may be?

(ii) would it be convenient if the goods were detained in a bonded warehouse (instead of in the docks/railway station/Custom House) without prejudice to penal or other necessary proceedings, and if so, what should, in your view, be the legal and departmental procedure adopted in this respect?

63. Steps to be taken by importer/exporter

What particular steps should, in your view, reasonably be taken by the importer/exporter (in additon to those taken at present) to avoid detention of goods, as far as possible?

64. Release on payment of provisional duty

(i) Have you any suggestions to make to improve the existing procedure of release of goods on payment of a provisional duty in cases in which final completion of Bills of Entry is not found possible?

(ii) Have you anything to represent about the procedure relating to, or the speed of finalization of, provisional assessments? (Section 29B).

65. Release on execution of bonds

(i) Where the guarantee bond procedure is employed for provisional clearance or shipment of goods (e.g., pending the results of analytical tests, production of licences etc.), what difficulties, if any, have you experienced in obtaining from the banks the guarantees demanded by the Customs for such bonds?

(ii) What are the difficulties, if any, felt in the actual execution and presentation of these guarantee bonds at the Custom House?

(iii) If these difficulties are of a serious nature, can you suggest an alternative procedure which would cause less hardship, and at the same time effectively safeguard the revenue, or the administration of the various controls, as the case may be?

(iv) What have you to say about action taken for the discharge of bonds when the obligations undertaken thereunder have been fulfilled?

66. Certificates of detention: demurrage

Have you any suggestions to make regarding

(i) the granting by Customs, of certificates of detention for remission of Port Trust/Railway demurrage?

(ii) the restrictions imposed by the Port Trust/Railways on the admissibility of such certificates?

67. General

Have you anything else to say on the subjects covered by this Section of the Questionnaire?

SECTION VIII

IMPORT/EXPORT: EXAMINATION AND ASSESSMENT—MISCELLANEOUS

8. Examination of goods

Have you any comments to make on

(i) the number of centres for examination of cargo?

(ii) the physical arrangements which have been made for examination at each centre?

(iii) the staffing of the centres?

(iv) the working hours observed at the centres?

(v) the distribution of Bills of Entry/Import Applications/Shipping Bills/Export Applications among Examining/Preventive Officers?

(vi) the handling of these documents by Examining/Preventive officers and the Supervising (Shed) Appraisers?

(vii) examination by Custom-House Appraisers (instead of by Examining/Preventive Officers) where this becomes necessary?

(viii) the scale or intensity of examination?

(ix) examination outside office hours on payment of overtime fees?

(x) facilities provided for examination outside Customs limits, where these are felt necessary?

(xi) the drawing of samples and their despatch to the Custom House?

(xii) the disposal of samples?

9. Short-landing, losses, deterioration of imported goods

What observations, if any, have you to make on the treatment acorded by Customs to

(i) packages which have been short-landed?

(ii) short-packing of goods before shipment?

(iii) losses (by breakage, pilferage, etc.) of goods, which have occurred

(a) before landing?

(b) after landing but before clearance?

(iv) goods which have undergone damage or deterioration

(a) before landing?

(b) after landing but before clearance? [Section 33, 34 & 34-A].

0. Revision of assessment of goods after clearance

What have been your difficulties, if any, in securing a revision of ssessment of your goods after duty has been paid on them and they ave been cleared out of Customs charge for home consumption/shipient? [Section 36].

71. Treatment of reimported goods

(i) Have you any suggestions to make regarding the Customs law and departmental procedure relating to the reimportation after export from India, of

(a) commercial goods of Indian manufacture? (Section 25)

(b) commercial goods of foreign manufacture?

(c) goods of Indian manufacture for personal use? (Section 25)

(d) goods of foreign manufacture for personal use?

(ii) What difficulties, if any, have you experienced from the Customs treatment of reimported goods on which export duty had been paid at the time of exportation?

72. Temporary imports

What difficulties, if any, have been experienced from the Customs treatment of articles temporarily imported into India by Commercial firms and other organizations, e.g., for display at exhibitions, shooting of films, scientific equipment, for surveys, etc.?

73. Assessment of particular types of goods

If any special difficulties are being regularly felt in connection with the assessment of particular types of goods (*e.g.*, bulk imports of kerosene, lubricating oil), what are they?

74. Administration of exemptions

Have you any improvements to suggest regarding the administration of exemptions which have been notified by the Government of India, from

(i) import duty?

(ii) export duty?

75. Unclaimed and abandoned goods

Have you any suggestions to make to improve the existing procedure for the storage, caretaking and disposal of unclaimed and abandoned goods?

76. Publicity to Customs rulings and regulations

Have you any suggestions to offer to improve the existing arrangements for giving publicity to Customs rulings and regulations.

(i) by means of notices displayed on the Custom House notice boards?

(ii) by circulars to Chambers of Commerce and Trade Associations?

(iii) by books, guides and publications?

(iv) through Enquiry and Information offices?

77. General

Have you any other remarks to offer on the subjects covered by this Section of the Questionnaire?

SECTION IX

IMPORT/EXPORT: CHANGES IN RATES OF DUTY & TARIFF VALUES: SHORT & EXCESS LEVIES

78. Date of application of changes in rates of duty

What hardship, if any, have you experienced from the implementation of the legal provisions for determining the date for application of changes in rates of (a) import duties; (b) export duties; (c) tariff values? (Sections 37 & 38)

79. Relief provided by the Indian Sale of Goods Act

In respect of contracts current on the date of a change in the rate of import/export duty or in tariff values, have you found the procedure prescribed in Section 64A of the Indian Sale of Goods Act, for resettlement of the contracts on the basis of such change, to be inadequate, and if so, why?

80. Reactions of customers

What are the reactions of your customers to these changes particularly in respect of exports?

81. Acceptable alternatives

If you consider that such changes, particularly in respect of exports, should not apply to current commitments made at rates agreed to before the announcement of such changes, what methods would you suggest to prevent undue advantage being taken of such a position by unscrupulous concerns?

82. Short and excess levies

What are your difficulties, if any, with the legal provisions or departmental procedure relating to

(i) recovery of short levies of Customs duties? (Section 39)

(ii) refund of excess levies of Customs duties? (Section 40)

SECTION X

IMPORT: BONDED WAREHOUSING

83. Warehouse accommodation

Is the bonded warehouse accommodation for imported goods p vided in your area adequate or not? If it is not adequate, please expla why.

84. Customs supervision

Have you any suggestions to make regarding Customs supervisi provided.

(i) when goods are moved from landing sheds to warehouses?

(ii) for trade inspection of, and drawing of samples from, wa housed goods?

(iii) when conducting any operations of repacking, sortin blending etc., carried out in warehouse?

(iv) for removal of goods from warehouse for home consumptic

(v) for removal of goods from warehouse for shipment.

85. Limitations in respect of warehousing/warehoused goods

Have you experienced any hardship on account of the limitati imposed in respect of

(i) the classes of goods which may be warehoused? [Section 1

(ii) the period for which warehoused goods may remain in bo [Section 1(

(iii) the manner of packing of goods admitted for warehousin [Sections 95 and 10

(iv) the manner of storage in warehouses? [Section 125].

(v) repacking, sorting and blending, etc., of goods while in wa house? [Section 100].

(vi) the working hours prescribed for warehouse operation?

(vii) clearances and other operations in warehouses on Sund and public holidays and outside working hours?

(viii) execution and transfer of warehouse bond warrants?

86. Warehousing bonds

Have you any representations to make regarding.

(i) *the contents of the forms of warehousing* bonds which ha been prescribed? *(Sections* 92 *and* 1(

(ii) the departmental arrangements for the execution of su bonds.

87. Assessment/reassessment of goods intended for warehousing/warehoused

What are the difficulties, if any, which you have experienced from

(i) the special procedures prescribed for completion of Bills of Entry for goods intended for warehousing?

(ii) the reassessment, after warehousing has been completed, of the rate of duty or tariff valuation? (*Section* 115).

(iii) the reassessment in other respects, after warehousing has been completed, e.g., in respect of change of tariff classification, market value, etc.? (*Section* 94)

88. Losses or destruction of, or damage to, goods while in warehouse; deficiencies in warehoused goods

Have you any representations to make regarding the treatment accorded by Customs to

(i) accidental loss or destruction of goods while in warehouse? (*Section* 122)

(ii) partial damage to, or deterioration of, warehoused goods? (*Section* 114)

(iii) pilferage of warehoused goods? (*Section* 122)

(iv) deficiencies occurring in warehoused goods by dryage or such other causes beyond human control?

89. Removal of warehoused goods from one warehouse to another

Is the procedure for removal of warehoused goods from one warehouse to another (i) in the same port/station (ii) to a different port/station, causing you any difficulties at the (a) despatching (b) receiving end? If so, what are they? (Sections 104 to 109).

90. Clearance of warehoused goods for home consumption/re-export

What delays or difficulties, if any, are you experiencing from the procedures regulating clearance of warehoused goods.

(i) for home consumption?

(ii) for re-export? (*Sections* 110 *to* 117).

91. Manufacture in bond

Have you any criticism to make regarding.

(i) the legal provision made for manufacture in bond from imported materials? (*Section* 100*A*).

(ii) the facilities provided for such manufacture in bond

(a) for home consumption?

(b) for export?

(iii) the departmental procedure relating to the supervision of such manufacture, and clearance of the manufactured goods for

(a) home consumption?

(b) export?

92. General

Have you anything else to say on this subject of Customs Bonded Warehousing and Manufacture in Customs Bond?

SECTION XI

IMPORTS AND EXPORTS BY POST

93. Working arrangements

Have you any improvements to suggest in:

(i) the physical lay-out of the Postal Appraising Section?

(ii) the working hours of the Section?

(iii) the size and efficiency of the staff employed in the Section?

(iv) the system adopted in the Section for selection of post parcels for release, on the strength of "way bills", without Customs examination or scrutiny of documents?

(v) the system adopted for disposal of parcels, where parcels are detained for examination and scrutiny of documents?

(vi) the method of opening for Customs examination and repacking of parcels?

(vii) the facilities provided for personal clearance of parcels?

(viii) the manner in which notices for production of invoices, licences etc., are drawn up, particularly in regard to their clarity and courtesy?

94. Import parcels

Have you any representations to make regarding the Customs handling of parcels received by post and containing:

(i) trade goods

(ii) personal articles obtained from abroad

(iii) unsolicited gifts

in respect of

(a) valuation and assessment?

(b) enforcement of import or other controls?

95. Export parcels

What difficulties, if any, have you experienced from the Customs treatment of parcels intended to be sent by post to foreign countries and containing.

(i) trade goods

(ii) personal articles

(iii) gifts

in respect of

(a) valuation and assessment?

(b) enforcement of export and other controls?

96. Abuses of post parcels

If you have noticed any frequent abuses of a serious nature relating to imports/exports by post, and affecting Customs revenue or import/export or other controls, please give examples and make your suggestions for the prevention of these abuses.

97. General

Have you anything else to say on the subject of the Customs treatment of Imports and Exports by Post?

SECTION XII

EXPORT: DRAWBACK OF IMPORT DUTIES

98. Drawback: Commercial goods re-exported in original condition

Have you any comments to make regarding the provision which has been made for the grant of drawback of Customs duties on imported commercial goods, on their re-export in their original condition, in respect of

(i) rates of drawback?

(ii) the time-limits for shipment?

(iii) other conditions for payment of drawback?

(*Sections* 42, 43, 49–52)

99. Drawback: Commercial goods re-exported after being taken into use

Have you any representations to make regarding the facilities provided for drawback of Customs duties on imported commercial goods re-exported after being taken into use, but without any change in their original form (*e.g.*, items of machinery), in respect of

(i) rates of drawback?

(ii) the time-limits for shipment?

(iii) other conditions for payment of drawback?

(*Sections* 42, 43, 43*A*, 49–52)

100. Drawback: Departmental procedures

Have you any suggestions to make to improve the departmental procedures relating to drawback on goods referred to in question 98 and 99 above, at the stage of

(i) Customs examination or identification before shipment?

(ii) Verification at the time of actual shipment?

(iii) verification of claims after shipment?

101. Drawback: Personal articles

What difficulties, if any, have you had in obtaining drawback of Customs duties on imported personal articles (*e.g.*, cameras, fire-arms) on their re-export other than as passenger's baggage?

102. Drawback: Imported goods used in indigenous manufacture

Have you any representations to make regarding

(i) the legal provision which has been made for grant of drawback of Customs duties on imported goods used in the indigenous manufacture of articles exported out of India?

(*Section* 43*B*)

(ii) the facilities which have been provided by the department for obtaining drawback of Customs duties on imported ingredients of goods manufactured in, and exported out of India?

(iii) the departmental procedure, relating to the supervision of manufacture, and the scrutiny of drawback claims, in such cases?

103. General

Have you any other observations to make on this subject of Drawback of Import Duties?

SECTION XIII

EXPORTS & TRANSHIPMENT—GENERAL

Note.—This section covers questions on matters connected with exports and transhipment of goods, which have not already been embodied in other sections of the Questionnaire.

104. Form of Shipping Bill/Export Application

(i) Have you any suggestions to make regarding

(a) improvement of the form which has been prescribed for the Shipping Bill/Export Application?

(b) the number of copies of the form which are required to be filed?

(ii) What difficulties, if any, have you felt in furnishing the prescribed particulars in a Shipping Bill/Export Application?

105. Movement of Shipping Bill/Export Application

(i) Have you any suggestions to make regarding the possibility of reducing the number of stages through which the Shipping Bill/Export Application moves between presentation at the Custom House and actual shipment of the goods, without impairing the effectiveness of the essential checks required to be made at the various stages?

(ii) If at any particular stage serious delays occur, please state their causes as far as they are known to you, and make your suggestions for minimizing the delays.

106. Assessment

Have you any representations to make regarding the processes adopted at present to assess export duty, where such duty is leviable?

107. Short-shipment or relanding

Have you any grounds to justify the extension of the period allowed

(i) for giving notice to Customs, of short-shipment or relanding of goods?

(ii) for making of refund claims where short-shipped or re-landed goods have been charged to export duty?

(Section 140)

108. Verification of Export Trade Control licences and quotas

Have you any suggestions to make to improve the exsiting system of verification of Export Trade Control licences and quotas; where analytical tests or guarantee bond procedures do not become necessary?

109. Transhipment

What difficulties, if any, have you experienced.

(i) in securing transhipment, (a) at notified ports, (b) at ports which have not been notified, of goods manifested in the Import General Manifest as for transhipment? *(Sections 128 to 130)*

(ii) in securing transhipment of goods not so manifested? *(Sections 128 to 130)*

(iii) in the levy of transhipment fees? *(Section 133)*

(iv) from the time-limits imposed for effecting transhipment? *(Section 130)*

(v) in the transhipment of ship's stores? *(Section 132)*

(vi) from the prohibitions and restrictions on transhipment of goods? *(Section 131)*

(vii) in departmental procedures, generally, relating to transhipment?

110. General

What other difficulties, if any, have you experienced from Customs procedures relating to the Export/Transhipment of goods?

SECTION XIV

IMPORT/EXPORT: PAYMENTS AND RECEIPTS

111. Movement in the Cash & Accounts Department, of import and Export documents

Have you any suggestions to make

(i) to reduce, without impairing the effectiveness of necessary checks, the number of stages through which a Bill of Entry/Import Application/Shipping Bill/Export Application moves for

(a) payments of Customs duties in cash/by cheque/ through deposit accounts?

(b) payments of penalties in cash/by cheque/through deposit accounts?

(c) payments of minor charges such as amendment fees in cash/by cheque/through deposit accounts?

(ii) to reduce delays, if any, which occur at each of the stages?

112. Deposit Account

If you think the facilities for payments of duty etc. through deposit accounts afforded in the Custom House are inadequate, what would you suggest to improve them, and why?

113. Facilities for payment by cheque

What are the facilities, if any, provided in the Custom House for payment of duty etc. by cheque? If you think an extension of these facilities is necessary, please make your suggestions stating your reasons.

114. General

Have you any other suggestions to make regarding the working of the Customs Cash and Accounts Department?

Section XV

IMPORT/EXPORT: PASSENGERS' AND TOURISTS' BAGGAGE

115. Baggage and currency declaration forms

Have you any suggestions to make regarding

(i) the improvement of the forms which have been prescribed for declaration of passengers'/tourists' baggage and currency?

(ii) the arrangements made for the timely and advance supply of these forms to passengers/tourists so as to minimise delay in clearance of baggage after landing/before embarkation?

(iii) the arrangements made to assist passengers/tourists in filling up the forms?

(iv) the possibility of reducing documentation by passengers/tourists, if you think the documentation is excessive?

(v) the possibility of the use of international baggage and currency declaration forms, if these are not already in use?

(vi) the standardization of forms and procedure at all points of entry and exit?

116. Customs enclosures and staffing

Have you any representations to make regarding

(i) the physical lay-out of, and the conveniences provided in, the Customs enclosures in which baggage examination is conducted?

(ii) the movement and disposal of declaration forms in the course of scrutiny, assessment and collection of duty?

(iii) the scale and intensity of baggage examinations?

(iv) the size, efficiency and powers of the Customs staff employed on baggage examination and clearance?

(v) the attitude of helpfulness and courtesy which has to be extended to passengers/tourists by the Customs staff?

(vi) the time taken for clearance of passengers/tourists through Customs?

(vii) the efficiency of the staff of clearing agents employed on clearance of passengers/tourists through Customs?

117. Oral declarations

(i) If in your view, the facility of oral declarations now provided for passengers/tourists travelling by air has not resulted in any substantial saving of time and trouble, please say why you think so.

(ii) Are you in favour of the facility of oral declaration now available to passengers/ tourists travelling by air, being extended to passengers arriving by sea and by land? If so, why, and what safeguards wo suggest against abuses of this facility?

118. Baggage and other concessions

Have you any suggestions to make regarding

(i) the scale of free allowances (including those for unsolicited gifts) granted in respect of various articles of passengers' baggage, and currency?

(ii) the manner and spirit in which the baggage and currency concessions are implemented by the Customs staff in the case of

(a) foreigners?

(b) Indian nationals?

(iii) the discretion vested in the Customs staff in the implementation of these concessions?

119. Temporary imports of personal articles

What difficulties, if any, have you experienced from the Customs treatment of personal articles (*e.g.*, motor cars, dictaphones, tape recorders, exposed and unexposed cinematograph films, photographic equipment, projectors etc.) brought by temporary visitors to India and intended for their use during their stay in the country?

120. Distinction between tourists and other passengers

Do you think distinctive treatment should be accorded to (i) foreign tourists, (ii) passengers of foreign nationality, (iii) passengers of Indian nationality? If so, and if you consider a distinction of this kind is practicable, what are your suggestions and your reasons for them?

121. Distinguished visitors

Have you any suggestions to make to improve the Customs facilities now afforded for the reception and departure of distinguished visitors to this country?

122. Treatment of passengers travelling by different classes

(i) What distinctions, if any, have you observed in the treatment accorded to saloon/first/second class passengers and tourist/deck/third class passengers?

(ii) What improvements would you suggest in this connection?

123. Searches of passengers' persons

Have you any representations to make regarding the manner in which the provisions relating to searches of passengers' persons are implemented?

124. Examination of the baggage of crews

Have you any improvements to suggest in the procedure for Customs examination of the baggage of ship's/air/railway crews?

125. Detentions

Have you any representations to make regarding

(i) the detention of passengers' baggage in Customs charge for fulfilment of Customs formalities?

(ii) the arrangements made for storage and care-taking of baggage detained?

(iii) the period of detention in such cases?

(iv) the charges for detention?

(v) the facilities available at the Custom House or other offices concerned for the clearance of detained baggage?

26. Refunds and drawbacks

What difficulties, if any, have been experienced by temporary visitors o India in obtaining refunds and drawbacks of Customs duty on personal rticles?

27. Unaccompanied baggage

What difficulties, if any, have been experienced on account of

(i) lack of information on your arrival in India at a Customs port/land Customs station regarding the treatment of unaccompanied baggage by Customs?

(ii) the time-limits which have been prescribed for admission of unaccompanied baggage to the baggage concession?

(iii) other restrictions, if any, imposed in this respect?

(iv) the prescribed procedure for clearance of unaccompanied baggage through Customs?

(v) The treatment of the effects of deceased persons?

28. Abuse of baggage and currency concessions

What abuses, if any, have you noticed, of the free allowances granted ı respect of passengers'/tourists' baggage and currency and what steps ould you suggest to prevent these abuses?

29. Despatch of gifts by tourists

Have you any suggestions to make to improve the facilities provided or tourists to despatch gifts from India?

30. Passengers in transit

Have you any suggestions to make to improve the Customs treatment f passengers in transit across this country?

31. Prohibitions and restrictions

What difficulties, if any, have you experienced from the Customs treatment of passengers'/tourists' baggage under the

(i) import trade control regulations?

(ii) export trade control regulations?

(iii) prohibitions and restrictions in respect of

(a) arms and ammunition?

(b) plants, bulbs and flowers?

(c) animals and birds?

(d) exposed films?

(e) drugs and medicines?

(f) other articles?

132. Facilities for obtaining information

What comments, if any, have you to make on the facilities provided at the Custom House/ports/airports/land Customs stations for obtaining information regarding clearance of passengers'/tourists' baggage and currency?

133. General

Have you anything else to say on this question of the Customs treatment of Passengers'/Tourists' baggage, currency and other effects?

SECTION XVI

PENAL PROCEEDINGS

134. Speeding up of processes

In regard to Customs penal proceedings, have you any suggestions to make to expedite

(i) the processes of issuing "show cause" notices?

(ii) the handling of replies to "show cause" memoranda before they reach the adjudicating officer?

(iii) the grant of personal hearings?

(iv) the taking and communication of decisions?

135. Contents of "show cause" notices

Have you any criticism to make of the manner in which "show cause" notices are drawn up, with particular reference to the clarity of the charges framed?

136. Personal representations

Have you any views to express regarding

(i) in general, the facilities granted for personal hearings in penal proceedings?

(ii) in particular, representations through legal counsel or other experts, at the

(a) original stage?

(b) appellate stage?

(c) the stage of revision petitions?

137. Proceedings in minor matters or *bona fide* cases

Have you experienced a general tendency on the part of Customs officers to institute penal proceedings

(i) in comparatively minor matters?

(ii) where errors have been committed in good faith?

(iii) where errors have been committed in consequence of prior advice by Customs officers, or Import or Export Trade Control authorities, or other departmental officers?

If so, please give some example where this tendency has been observed.

138. Prescribed penalties

Have you any representations to make regarding the nature and the scale of penalties provided for various offences under the Sea Custo Act, 1878, or allied Acts relating to import or export of goods and rency? (*Sectio* 67

139. Penal powers of officers

Have you any representations to make regarding

(i) the penal powers conferred upon various grades of Customs Officers?

(ii) the discretion exercised by such officers in determining the nature and quantum of penalties?

140. Grounds for decisions

Have you any representations to make regarding the lack or inadequacy of the statement of grounds in decisions communicated to the parties concerned in penal proceedings at the

(i) original stage?

(ii) appellate stage?

(iii) stage of revision petition?

141. Time limits for appeals

What difficulties, if any, have you experienced from the prescribed time limits for the preferring of appeals against penal or other decisions of Customs Officers? *(Section 188)*

142. Prior deposit of penalties

What difficulties, if any, have you experienced from the legal provision requiring penalties imposed at the original stage to be deposited as a condition precedent to the entertainment of appeals? *(Section 189)*

143. Enforcement

Have you any representations to make regarding the methods employed for the enforcement or collection of penalties? *(Section 193)*

144. Machinery for adjudication, appeals and revision petitions

Have you any comments to make generally on the set-up of the authorities empowered by the existing law

(i) to adjudicate penal proceedings? *(Section 182)*

(ii) to revise decisions of subordinate authorities? *(Sections 190 & 190A)*

(iii) to decide appeals? *(Section 188)*

(iv) to decide revision petitions? *(Section 191)*

and what modifications, if any, would you suggest, with due regard to the need for expert knowledge on the part of adjudicating, appellate and revisionary authorities?

145. Storage and disposal of detained articles

Have you any improvements to suggest in the arrangements made for the storage, care-taking and disposal of detained, seized or confiscated articles?

146. Anti-smuggling operations

(i) with due regard to the appreciable incidence of smuggling of gold, currency, luxury articles, etc. into the country, have you any representations to make about the powers conferred upon Customs Officers, of

(a) arrest of persons? (*Sections* 173 & 176)

(b) searches of persons? (*Sections* 169 & 170A)

(c) searches of vessels and conveyances? (*Section* 171)

(d) seizure and detention of goods? (*Section* 178).

(e) summoning of persons to produce documents and give evidence? (*Section* 171A)

(ii) Have you any representations to make regarding the manner in which these powers are exercised

(a) on board vessels or aircraft?

(b) within the limits of sea and air ports and land Customs stations?

(c) outside these limits?

147. General

Have you anything else to say on the subject of Customs Penal Proceedings?

Section XVII

CUSTOM HOUSE AGENTS

148. Grant of licences etc.

Have you any representations to make regarding

(i) the legal provisions relating to licensing/authorization o Custom House Agents? (*Sections* 202 & 20

(ii) the departmental procedure adopted for the licensing/autho rization of such agents?

(iii) the restrictions, if any, on the number of agents which ma be licensed in any particular Custom House?

(iv) the qualifications prescribed for persons who may apply fo an agent's licence?

(v) other conditions laid down for the grant of licences?

(vi) the suspension or revocation of licences?

(vii) the procedure relating to, and the adjudication of, representa tions to superior officers regarding the licensing of Custon House Agents or the revocation or suspension of licences?

149. Facilities for Custom House Agents

What are the difficulties, if any, you are experiencing in the Custon House regarding

(i) the office space and other office facilities provided for you Custom House operations?

(ii) access to Customs Officers?

(iii) facilities provided for Custom House Agents at the time o clearance of passengers and passengers' baggage?

150. Obligations of Custom House Agents

(i) What are the difficulties, if any, arising from the legal provisio which imposes all the liabilities of the owner of goods upon his Custon House Agent? (*Section* 4

(ii) Since this provision is intended as a safeguard for the revenue and for the implementation of various controls, can you suggest an method by which any serious hardship caused to the Agent, by the en forcement of this provision, could be mitigated without loss to th revenue or without defeating the various controls?

151. General

Have you any other representations to make on this subject of Custom House Agents?

Section XVIII

MISCELLANEOUS

152. Air freight

What are the special difficulties, if any, encountered in the Customs clearance of air freight?

153. Coastal movement between Indian ports

(i) If you consider that customs examination of consignments of duty-free goods moving between Indian ports is necessary or excessive, please state your reasons.

(ii) What are the other difficulties, if any, experienced from the Customs procedures relating to such movements?

154. Refunds (other than drawback)

Where serious delays are occurring in the disposal of refund claims (other than drawback claims), what, in your view, are their causes and how can these causes be remedied?

155. Prohibited and restricted articles

What criticism, if any, have you to make of the administration of prohibitions and restrictions imposed by regulations (other than the Import and Export Trade Control regulations) relating to imports of—

(i) arms and ammunition?
(ii) wireless apparatus?
(iii) plants, bulbs and flowers?
(iv) drugs and medicines?
(v) livestock?
(vi) other articles?

156. Decentralization of powers

(i) Do you believe that executive powers in dealing with the various aspects of the Customs administration are overcentralized, and that delegation of powers from higher to lower authorities, would be in the legitimate interests of the administration as well as of the public?

(ii) Please state in what precise directions you would desire such delegation to be effected and why.

157. Public Relations and Information organization

(i) Have you any suggestions to improve the usefulness of the Public Relations and Information organization in the Custom House?

(ii) Do you think that the Import/Export Trade Control authorities should be represented on the staff of this organization, and if so, why?

(iii) In case you are of the view that correct information and responsible advice should be provided to the public on request, if the organization is to be at all useful, do you think the existing organization is adequately staffed and equipped for this purpose, and if not, what are your suggestions to improve its efficiency?

(iv) With due regard to all the implications, do you advocate that the advice given by the organization, on which commitments by importers/exporters are ordinarily based, should be binding on all the officers and authorities concerned with the import/export of goods, and on Government, as well as on the importers/exporters themselves?

158. Customs Advisory Committees

(i) Have you anything to suggest which would, in your view improve the usefulness of Customs Advisory Committees?

(ii) If you think such Committees should be set up at ports where they do not exist at present, please state your reasons.

159. Statistical information

Have you any improvements to suggest in the present form and scale of statistical information supplied to the public on imports/exports with the assistance of the Customs Department?

160. Ports declared open for foreign trade

With due regard to the need for maintenance of adequate expert Customs supervision over imports and exports, particularly at the present time of controlled national economy, do you consider the existing number of ports declared open for foreign trade too large/too small? It so, why

161. General

Have you anything else to say on the subjects covered by this Section of the Questionnaire?

SECTION XIX

GENERAL

162. If there is anything you desire to represent to the Committee, which has not already been covered by your answers to the questions in the preceding Sections of this Questionnaire, please add it here, devoting separate paragraphs to different subjects and displaying the subject, in each case, as a paragraph heading.

APPENDIX

GOVERNMENT OF INDIA

MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)

RESOLUTION

New Delhi, the 23rd January 1957

No. 4/10/55-Cus. III.—The procedures for the clearance of goods and passengers' baggage at present followed by the Custom Houses in India have grown into their present form over many years during which rapid changes have taken place in the practices adopted in international trade and commerce. Although these procedures have been under constant review by the Collectors of Customs as well as by the Central Board of Revenue, basically they are still the same as those followed over three-quarters of a century ago. Both the Government of India as well as the commercial public have, therefore, felt the need, particularly in recent years, for a detailed investigation of the content and operation of these procedures so as to achieve the requisite degree of modernisation, especially in respect of speed and efficiency. An examination would simultaneously be necessary of the connected questions of adequacy and level of efficiency of the organisation and staff of the Custom Houses. The Government of India have accordingly decided to appoint a Committee to conduct a comprehensive enquiry into Customs procedures and organization and to make recommendations for their improvement.

2. The Committee will consist of the following:—

Chairman

Shri F. C. Badhwar (Retired Chairman, Railway Board), Managing Director, Messrs. Bird & Co., New Delhi.

Members

1. Shri S. M. Shah, President, All-India Importers' Association, Bombay.
2. Shri E. J. Benjamin, Director, T. I. of India (Private) Ltd., Calcutta.
3. Shri W. Saldanha, Officer on Special Duty, Central Board of Revenue, New Delhi.

Shri V. S. Ramaswamy, Assistant Collector of Customs, will be Secretary of the Committee.

3. The following will be the terms of reference to the Committee:—

(1) To examine in detail the procedure:—

(a) for the clearance of goods and passengers' baggage through the Customs at the sea ports, airports and land customs stations;

(b) for the administration of Import, Export & Exchange Control regulations;

(c) for ensuring uniformity of classification of goods and methods of valuation;

(d) for the grant of Customs refunds and drawbacks; and

(e) other matters of Customs procedure generally;

(2) to examine the liaison between the Customs on the one hand and the trade, the Port Trust/Commissioners, the Import & Export Trade Control authorities, and the Post and Telegraph Department, on the other;

(3) in the light of examination made under items (1) and (2) above, and having regard to the safety of Government revenue, the adequate enforcement of prohibitions and restrictions, and the legitimate interest of the trade and of passengers, to recommend the modifications required in the various procedures for making them more effective, simpler and speedier;

(4) to examine the administration of the existing Customs Department as a whole with reference to the adequacy and disposition of staff provided at various levels, their working conditions, the exercise and delegation of responsibility and methods of recruitment and training,

(5) in the light of the examination referred to in item (4) above, to recommend necessary improvements;

(6) to make any other recommendations germane to the objective of the investigation.

3. The Committee will submit its report to the Ministry of Finance (Department of Revenue) within nine months of the date of its appointment.

4. The Committee will function in the Revenue Department of the Ministry of Finance, New Delhi.

ORDER

Ordered that a copy of the Resolution be communicated to all con-rned and that it be published in the Gazette of India, fo- ormation.

List of Chamber of Commerce, Trade Associations, Firms and Individual to whom the Public Questionnaire was issued

CHAMBERS OF COMMERCE

1. The Krishna District Chamber of Commerce, Masulipatam (South India).
2. The Cocanada Chamber of Commerce, Kakinada.
3. Godavari Chamber of Commerce, Cocanada.
4. Indian Chamber of Commerce, Guntur.
5. Federation of Commerce and Industries, 352, Sultan Bazar Hyderabad Deccan-1.
6. Vizagapatam Chamber of Commerce, Visakhapatnam.
7. Chamber of Commerce & Industry, Vijayawada.
8. Upper Assam Chamber of Commerce, P.O. Jorhat (Assam).
9. Associated Chamber of Commerce of India, Royal Exchange Calcutta.
10. Bengal Chamber of Commerce and Industry, Royal Exchange Post Box No. 280, Calcutta.
11. Bengal National Chamber of Commerce and Industry, P-11 Mission Row Extension, Calcutta-1.
12. Bharat Chamber of Commerce, 1915, Harison Road, Calcutta.
13. Eastern Chamber of Commerce, 15, Clive Row, Calcutta-7.
14. Hindustan Chamber of Commerce, 14/2, Clive Row, Calcutta.
15. Indian Chamber of Commerce, "Indian Exchange". Royal Exchange Place Extension, Calcutta-1.
16. Merchants' Chamber of Commerce, 173, Harison Road, Calcutta
17. The Oriental Chamber of Commerce, 6, Clive Row, Calcutta-1
18. Kalimpong Chamber of Commerce, Kalimpong.
19. Himalayan Chamber of Commerce, Kalimpong.
20. Bihar Chamber of Commerce, Patna.
21. Africa and Overseas Exporters Chamber, 31, Peoples Building 4th Floor, Phirozeshah Mehta Road, Bombay-1.
22. Bombay Chamber of Commerce and Industry, Mackinnon Meckenzie's Building, Ballard Estate, Bombay.
23. Federation of Gujarat Mills and Industries, Baroda.
24. Gujrat Vepari Mahamandal, 'Gujrat Samachar' Building, Khanpur, Ahmedabad.
25. Indian Merchants' Chamber, Lalji Naranji Memorial, Indian Merchants' Chamber Building, Back Bay Reclamation, Fort, Bombay.
26. Iron, Steel and Hardware Merchants Chamber of India, Steel Chambers, 153, Narayan Dhuru Street, Bombay-3.

27. Maharashtra Chamber of Commerce, 12, Rampart Row, 3rd Floor, Fort, Bombay-1.

28. Maharatta Chamber of Commerce and Industries, 587/9, Shukrawar Peth, Tailak Road, Poona-2.

29. Poona Merchants' Chamber, 185, Bhawani Peth, Poona-2.

30. Surat Chamber of Commerce, Surat.

31. Western Indian Chamber of Commerce, 232–234, Kalbadevi Road, Bombay.

32. Berar Chamber of Commerce, Rajasthan Building, Akola.

33. Nagpur Chamber of Commerce Limited, New Cotton Market, Nagpur.

34. Madhya Pradesh Chamber of Commerce, Sarya Villas, Temple Road, Civil Station, Nagpur-1

35. Surashtra Chamber of Commerce, Mahatma Gandhi Road, Lokhan Bazar, Bhavnagar

36. Bhuj Chamber of Commerce, Bhuj (Kutch).

37. The Chamber of Commerce BZ/S/130-A, Gandhidham (Kutch).

38. Nawanagar Chamber of Commerce, Jamnagar.

39. The Indo-German Chamber of Commerce, Hotel Waldorf, 16, Arthur Bunder Road, Bombay-5.

40. Central Council of Refrigeration and Air Conditioning Traders Association of India, Post Box No. 563, New Delhi.

41. Delhi Chamber of Commerce, Delbar Building, Original Road, Paharganj, Delhi.

42. Federation of Indian Chambers of Commerce and Industry, Federation House, Barakhamba Road, New Delhi.

43. Punjab and Delhi Chamber of Commerce, Scindia House, New Delhi.

44. Punjab Merchants Chamber, Saddar Bazar, Delhi.

45. United Chamber of Trade Association, Katra Rathi, Nai Sarak, Delhi-6.

46. Federation of Biscuit Manufacturers' of India, 17, Alipur Road, Delhi-6.

The Roller Flour Millers' Federation of India, Scindia House, Curzon Road, P. O. Box 24, New Delhi-6.

The Federation of Hotel and Restaurant Associations of India, Maidens' Hotel, Delhi.

The Kashmir Chamber of Commerce, Srinagar, Kashmir.

Chamber of Commerce, Trichur.

Indian Chamber of Commerce, Mattancherry Post, Cochin-2.

Northern Travancore Chamber of Commerce, Alwaye.

Travancore Chamber of Commerce, Alleppey, Travancore, South India.

Malabar Chamber of Commerce, Calicut.

North Malabar Chamber of Commerce, Cannanore, (North Malabar).

56. Calicut Chamber of Commerce, Calicut.

57. Cochin Chamber of Commerce, Post Box No. 16, Cochin.

58. The Malwa Chamber of Commerce, 49, Sitalmata Bazar, Indore City.

59. Mahakoshal Chamber of Commerce, Jubbulpore.

60. Andhra Chamber of Commerce, Andhra Chamber Building, 272/3, Angappa Naick Street, Madras-1.

61. Chamber of Commerce, Nagapatam.

62. Coimbatore Chamber of Commerce, Coimbatore.

63. Hindustan Chamber of Commerce, No. 168, Broadway Gujerathi Mandal Buildings, Madras-1.

64. Indian Chamber of Commerce, Tuticorin.

65. Indian Leather Federation, Melvesharam (North Arcot District), Madras.

66. Italian Chamber of Commerce for great Britain and Commonwealth, 1/30, Mount Road, Madras.

67. Madras Chamber of Commerce, Dara House, First Lane, Beach, Madras.

68. The Madura-Ramnad Chamber of Commerce, 90–92, Avanimoola Street, (2nd floor) Madurai, Madras.

69. Salem District Chamber of Commerce. Salem.

70. Southern Indian Chamber of Commerce, Indian Chamber Building, North Beach, Madras.

71. Tamil Chamber of Commerce, 119, Armenian Street, Madras-1.

72. Tuticorin Chamber of Commerce, Tuticorin.

73. The Virudhunagar Chamber of Commerce Ltd., Virudhunagar.

74. The Vijay Bharatha Chamber of Commerce, Ltd., Virudhunagar, Ramnad.

75. East India Tobacco Federation, Post Box No. 1258, 2/6, Second Lane, Madras.

76. Mysore Chamber of Commerce, Bangalore.

77. Kanara Chamber of Commerce, P. O. Box No. 116, Mangalore (S. K. District).

78. Karnatik Chamber of Commerce, Hubli.

79. Orissa Chamber of Commerce, Chandani Chowk, Cuttack.

80. Northern India Chamber of Commerce, Desi Beopar Mandal, Ambala Cantt.

81. Jaipur Chamber of Commerce, Johari Bazar, Jaipur City.

82. Rajasthan Chamber of Commerce and Industry, Johari Bazar, Jaipur City.

83. Agra Merchants' Chamber Limited, Bari Kothi, Belanganj, Agra.

84. Merchants' Chamber of Uttar Pradesh, 15/57, Civil Lines, Kanpur.

85. National Chamber of Industries & Commerce, U.P. G.G. Industries Post Office, Agra.

86. Silk Merchants' Chamber of Commerce, Banaras.

87. United Provinces Chamber of Commerce, 15/57, Civil Lines,
Kanpur.

88. Upper India Chamber of Commerce, Civil Lines, Kanpur.

89. Western United Provinces Chamber of Commerce, Meerut.

90. Vindhya Pradesh Chamber of Commerce, Satna.

91. The Andhra State Exporters and Importers Association, Ellore
Bazar, Guntur (Andhra).

92. The Hyderabad Kirana Merchants Association 14-6-14, Begum
Bazar, Hyderabad Division.

93. Madras Mica Association, Gudur, Nellore.

94. Bezwada Commercial Association, Bezwada, (Andhra).

95. Assam Tea Planters' Association, Jorhat, Assam.

96. All India Land-Holders Association, 10, Old Post Office Street,
Calcutta.

97. Association of Rubber Manufacturers in India, 57-B, Free School
Street, Post Box No. 391, Calcutta.

98. Automotive Manufacturers Association of India, "India Ex-
change" Royal Exchange Place Extension, Calcutta-I.

99. The President, Accountants Library, 3 Government Place West,
Calcutta-1.

100. Bengal Millowners Association, 2, Church Lane, Calcutta.

101. Calcutta Accident Insurance, 2, Clive Street, Calcutta.

102. Calcutta Trades Association, 18-H, Park Street, Stephons Court,
Corner of Middleton Row (Near Mrs. E. Wood) Calcutta.

103. Calcutta Yarn Merchants' Association, 89, Cross Street, Calcutta.

104. Engineering Association India, "India Exchange", Royal Exchange
Place Extension, Calcutta-1.

105. Indian Chemical Manufacturers Association, India Exchange
Place, Calcutta-1.

06. Indian Electrical Manufacturers' Association, 35, Stephen House,
4, Dalhousie Square East, Calcutta.

A. Indian Chamber of Commerce, 14/73, Oppanakara Street,
Coimbatore.

7. Indian Engineering Association, Royal Exchange, 6, Netaji
Subhas Road, Calcutta.

. Indian Jute Mills Association, Royal Exchange Building, Clive
Street, Calcutta.

Indian Mining Association, Post Box No. 280, Royal Exchange,
Calcutta-1.

Indian Mining Federation, 15, Clive Street, Calcutta.

Indian Paper Mills Association, "India Exchange" Royal Exchange
Place Extension, Calcutta-1.

Indian Sugar Mills Association, "India Exchange", Royal
change Place Extension, Calcutta-1.

Indian Tea Association, Royal Exchange, 6, Netaji Sub
Calcutta-1.

114. [illegible] Association, 109, Chittaranjan Avenue, Calcutta.

115. Mining Geological and Metallurgical Institution of India, 27, Chowranghee, Calcutta.

116. Vitreous Enemalles Association, 6012, Dharamatala Street, Calcutta-1.

117. Indian Produce Association, 402, Upper Chitpur Road, (Phool Katra), Calcutta-7.

118. Indian Lamp Factories Association, P. 11, Mission Row Extension, Calcutta-1.

119. Bengal Hosiery Manufacturers Association, 210, Bowbazar Street, Calcutta-12.

120. The Calcutta Tea Merchants Association, "India Exchange" Royal Exchange Place Extension, Calcutta-1.

121. The Indian Soap and Toiletries Makers Association, P-11, Mission Row Extension, Calcutta-1.

122. The Indian Tea Planters' Association, Post Box No. 74, Jalpaiguri.

123. The Plywood Manufacturers Association of India, P-11, Mission Row Extension, Calcutta-1.

124. The Indian Insurance Companies Association, 23-B Netaji Subhas Road, Calcutta-1.

125. The Gunny Traders Association, 5 Clive Row, 1st Floor, Calcutta-1.

126. The Calcutta Tea Traders Association, Royal Exchange, Calcutta.

127. The Calcutta Jute Fabrics Shippers Association, P. B. No., 280, Royal Exchange, Calcutta.

128. Bihar Food Industries Association, P. B. No. 7, Patna.

129. Indian Coal Merchants' Association, Jharia.

130. Indian Colliery Owners' Association, Post Box No. 70, Dhanbad, Manbhum E.I.R.

131. The Silk Mills Owners Association, Bhagalpur.

132. Bihar Industries Association, Post Box No. 7, Patna (Bihar).

133. Ahmedabad Cotton Merchants' Association, Manek Chowk, Ahmedabad.

134. Ahmedabad Mill and Gin Store Merchants Association, Reid Road, Railwaypura, Ahmedabad.

135. Ahmedabad Mill Owners' Association, Lal Darwaza, Ahmedabad.

136. All India Bobbin Manufacturers Association, 24-B, Hamam Street, 3rd Floor, Fort, Bombay-1.

137. All India Importers Association, Churchgate House, Churchgate Street, Fort, Bombay.

138. All India Exporters' Association, Churchgate House, Churchgate Street, Fort, Bombay.

139. All India Glass Merchants' Association, 116, Abdul Rehman Street, Fort, Bombay.

140. The All-India Manufacturers' Organization, 4th Floor, Co-operative Insurance Building, Sir P. M. Road, Bombay-1.

141. All India Plastic Manufacturers' Association, Chowpatty Chambers Sandhurst Bridge, Bombay-7.

142. All India Radio Merchants' Association, Fateh Manzil, Opera House, Bombay.

143. All India Sindwork Merchants Association, Commissariat Building, 4th Floor, 231, Hornby Road, Bombay.

144. The Association of Indian Industries, 4th Floor, Co-operative Insurance Building, Sir P. M. Road, Bombay-1.

145. Association of Merchants and Manufacturers of Textile Stores and Machinery, Sir Vithaldas Chamber, Top Floor, 16, Appollo Street, Fort, Bombay.

146. Bombay Chartered Accountants Society, 65, Mahatma Gandl Road, Bombay.

147. Bombay Iron Merchants Association, 247, Argyle Road, Carna Bunder, Bombay.

148. Bombay Millowners Association, 1 Patel House, Churchgate Street, Bombay.

149. The Bombay Oil Seed Exchange Limited, Jenabai Building, Masjid Bunder Road, Bombay.

150. Bombay Piecegoods Merchants' Mahajan, Mulji Jetha Cloth Market Hall, Shaikh Memon Street, Bombay.

151. Bombay Shareholders' Association, Agakhan Building, Dalal Street, Fort, Bombay-1.

52. Bombay Shroffs (Bankers) Association Ltd., 233, Shroff Bazar, Bombay.

3.. Bombay Woollen Piece Goods Merchants Association, Seth Moolji Jetha's Cloth Market Hall, Bombay.

A. Bombay Bullion Association Ltd., Sheik Memon Street, Bombay.

Cotton Buyers. Association, Imperial Bank Building Annexe, Bank Street, Fort, Bombay.

Deccans Manufacturers' and Employers Association, 13, Shivji Nagar, Sangli.

East India Cotton Association Limited, Cotton Exchange Building, Kalbadevi Road, Bombay.

Election Merchants Association, Vithal Sayana Building, No. 2, Lohar Chawal, Bombay-2.

Federation of Motor Transport Association, Bombay Garage, Chowpatty, Bombay.

rain and Oils seeds Merchants' Association, 82-80, Masjid Bundar Road, Bombay.

hal Karanji Powerloom Weavers Co-operative Association imited, Ichal, Karanji.

lian Motion Picture Producers Association, Sandhurst Build- , Sandhurst Road, Bombay.

ian Road and Transport Development Association, 27, Baston d, Bombay.

an Rubber Industries Association, Rahimtoola House, H. et, Bombay.

164. Cinematograph Reuters' Society of India, Burma and Ceylon, Horoon House, Bazar Gate Street, Fort, Bombay.

165. Leather Goods Manufacturers' and Dealers Association, 157, Princess Street, Bombay.

166. Maharashtra Karkhandar Sangh, (Maharashtra Manufacturers' Association), 625, Sadashive Peth, Poona-2.

167. Maskadi Cloth Market Association, Maskati Cloth Railwaypura, Post Box 2, Ahmedabad.

168. Mill Gin Store Merchants Association, 109-111, Nagdevi Street, Bombay-3.

169. Motion Picture Society of India, Sandhurst Building, Sandhurst Road, Girgaum, Bombay.

170. Native Share and Stock Brokers' Association, Dalal Street, Fort, Bombay.

171. The Tax Payers Association of India Ltd., Fort Chamber A, 3rd floor-D Lane Hamam Street, Fort, Bombay.

172. Panchkuva Cloth Merchants' Association, 518, Panch Kuva, Ahmedabad.

173. Paper Traders Association, 54, Sutar Chawl, Bombay.

174. Pharmaceutical and Allied Manufacturers and Distributors Association, Savoy Chambers, Wallace Street, P.O. No. 24, Bombay.

175. Scientific and Surgical Instrument Manufacturers and Traders Association, Commissariat Building, III Floor, Dr. D. N. Road, Bombay-1.

176. Western Indian Sheet Rollers Association, Kamani Chambers, Nicol Road, Ballard Estate, Fort, Bombay.

177. The Bombay Yarn Merchants Association and Exchange, Limited, 111, Chawala Building, Tamaba Kohta, Bombay-3.

178. The Indian Economic Association, School of Economics, and Sociology, University of Bombay, Bombay-1.

179. The Central Organization for Oil Industry and Trade, 57/59, Kazi Syed Street, Mudi Bazar, Bombay-3.

180. Bombay Industries Association, C/o Kamani Metals Alloys Ltd., Agra Road, Kurla, Bombay.

181. The All India Food Preservers Association, 93, Apollo Street, Fort, Bombay-1.

182. Vanaspati Manufacturers Association of India, 5th floor, India House, Fort Street, Bombay-1.

183. The Bombay Cotton Merchants and Muccudums Association, Ltd., SC72-73, Cotton Exchange Building, Sewree, Bombay-15.

184. The Bombay Rice Merchants Association, 116, New Chinch Bunder Road, Bombay-9.

185. The Western India Minerals Association, Killick Building, House Street, Fort, Bombay.

186. Cinematographic Importers Association, Saudhurst Building, Vallabhbhai Patel Road, Bombay-4.

187. Madhya Pradesh Mining Association, C/O C.P. Managanese
Ore Company Limited, Post Box No. 8, Nagpur, M.D.
188. The Amravati Cotton Merchants Association, Amravati.
189. Saurashtra Industrial Co-operative Association, Sorathia Board-
ing House, First Floor, Para Bazar Road, Rajkot.
190. Agricultural Machinery Dealers and Manufacturers' Association
of India, Pratap Building, Connaught Circus, Post Box No. 269,
New Delhi.
191. All India Glass Dealers Syndicate, Below Coronation, Hotel
Chandni Chowk, Delhi.
192. All India Glass Manufacturers Federation, Govind Mansion,
Connaught Circus, New Delhi.
193. All India Kisan Congress, 2, Ferozeshah Road, New Delhi.
194. Delhi Hindustani Mercantile Association, Chandni Chowk, Delhi.
195. Delhi Motor Traders Association, Kashmere Gate, Post Box No.
1098, Delhi-6.
196. Motion Pictures Association, 26-27, Mangal Market, Behind
Reserve Bank, Chandni Chowk, Delhi.
197. Delhi Piecegoods Association, Katra Neel, Chandni Chowk,
Delhi.
198. Federation of Rural People's Organization, 13, Barakhamba
Road, New Delhi.
199. Foreign Relations Society, 2, Ferozeshah Road, New Delhi.
200. Indian Manufacturers Export Association, Nath Brothers, Kasl
House, Connaught Place, New Delhi.
201. Travancore Coir Mats and Matting Manufacturers Associatior
Alleppey, Travancore.
202. The Tea Trade Association of Cochin, P.O. Box 16, Fort, Cochin,
Cochin-1.
03. The West Coast Industrialist Association, Express Hotel Road,
Kozhikode.
4. South India Soap Makers' Association, P.O. Box 74, Kozhikode
(Malabar), South India.
The Madhya Pradesh Millowners Association, 11, South Euk
ganj, Indore.
Madras Kirana Merchants' Association, 210, Govindappa Naicl
Street, G.T. Madras.
Madras Oil and Seeds Association, Post Box No. 1639, No. 320,
Linghi Chetty Street, Madras.
Madras Piece Goods Merchants Association, Godown Street,
Madras.
All India Oilseeds Growers Association, Bibulrolu, South India.
Madras Provincial Food-grains Merchants' Association, Madras.
Madras Provincial Handloom Cloth Merchants, Association, 63,
Armenian Street, G.T. Madras-1.
Madras Traders Association, Mount Road

213. Madras Yarn Merchants Association, 2/64, Mint Street, Park Town, Madras.

214. Motor Vehicles and Allied Merchants Association, 38/A, Mount Road, Madras-6.

215. South India Tanners' and Dealers' Association, Ranipet.

216. Southern Indian Millowners Association, Race Course, Coimbatore.

217. Southern India Skin and the Hide Merchants' Association, Syndenhems Road, Poriamet, Madras.

218. United Planters' Association, South India, 'Glenview', Coonoor.

219. The Tuticorin Traders Association, Beach Road, Tuticorin.

220. The South India Iron and Hardware Merchants Association, "Catholic Centre" 2, Armenian Street, Madras-1.

221. East Punjab Technicians Association, House No. 36, Prem Nagar, Ludhiana (Punjab).

222. The Engineering Association of North India, G.T. Road, Batala.

223. Indo-Pak Trade Board, Queens Road, Amritsar.

224. Northern India Hosiery Manufacturers Corporation, Ludhiana.

225. Punjab Federation of Industries, Amritsar.

226. Textile Manufacturers Association, Queens Road, Amritsar.

227. The Bangalore Wholesale piece-Goods Merchants Association, Chickpot, Bangalore-2.

228. Western Indian Tile Manufacturers' Association, Rosaria, Church Road, Mangalore-1 (South India).

229. Aligarh Lock Traders Association, Aligarh.

230. Kanpur Sugar Merchants' Association, 51/57, Collector Ganj, Near Shakkar Parri, Kanpur.

231. Employers' Association of Northern India, Kanpur.

232. Indian Bristle Merchants Association, 18/45, Mahatma Gandhi Road, (Near Pool Bagh Crossing), Kanpur.

233. Merchants Association, Shyamganj, Bareilly.

234. Dawoodi Bohra Merchants Association 30, Brabourn Road, Calcutta-1.

235. Calcutta Kirana (Spices) Merchants Association, 29, Armenian Street, Calcutta-1.

236. Aromatic Traders Association Sekri House, Calcutta.

237. Automobile Association of Bengal, 13, Ballygunj, Circular Road, Calcutta.

238. Tractor Parts Manufacturers, Importers & Distributors, c/o Associated Exporters Importers Corporation, 8, Lall Bazar Street, Calcutta.

239. Stationery and Office Equipment Association of India, P-11 Mission Row Extension, Calcutta.

240. Indian Union Minerals Association, 4, Netaji Subhas Road, Chartered Bank Building, Calcutta.

241. The Mica Export Promotion Council, c/o The Joint Chief Controller of Imports and Exports, Calcutta.

242. Secretary, Land Customs Clearing Agents Association, 1, Netaji Subhas Road, Ist floor, Calcutta-1.

243. Calcutta Johmi Mandal, 38 Burtolla Street, Calcutta-7.

244. Bombay Genuine Pearls Dealers Association, 157, Shaikh Memon Street, Bombay-2.

245. The Cultured Pearls Importers and Exporters Association, 89/95 Zaveri Bazar, Bombay-2.

246. The Bombay Cutlery, Toys, Glass Beads & Sundry Merchants Association, 106, Bhusari Mohalla, Bombay-3.

247. Bombay Custom House Clearing Agents Association, 46, Veer Nariman Road, Bombay-1.

248. Bombay Customs Dalals Association, c/o C A No. 55, Ground floor, New Custom House, Ballard Estate, Bombay.

249. The Clearing Agents & Freight Brokers Association, Grain Market, Jamnagar.

250. Oil Industry Supply Committee Burmah Shell House, Ballard Estate P. Box 638, Bombay-1.

251. Sanyukta, Vahn Wala Association, Veraval (Saurashtra).

252. Precious Stone Importers and Exporters Association, Bombay.

253. All India Bullion Traders Convention Bombay, 188, Shaikh Memon Street, Bombay-2.

254. Muccadam Association, 108/2, Samuel Street, Mandavi, Bombay.

255. Crude Drugs & Exporters Merchants Association, 125, Lohar Chawl, Bombay-2.

256. Passengers & Traffic Association, 346, Dadabhoy Naroji Road. Bombay.

257. The Mill Owners Association, Elphinstone Building., Veer Nariman Road, Bombay-1.

258. The All India Instrument Manufacturers & Dealers Association, Bombay.

259. Association Engineering Corporation, Rajkot, (Saurashtra).

260. Chemists & Druggists Association, Bombay.

261. Western India Automobile Association, Lalji Naranji Memorial Building, Churchgate Reclamation Post Box No. 211, Bombay.

262. Federation of Motor Transport Association, Mehar Buildings, Chowpatty, Bombay.

263. Indian Roads & Transport Development Association Ltd., 27 Bastion Road, Bombay.

264. Silk & Rayon Textiles Export Promotion Council, 78, Veer Nariman Road, Bombay-1.

265. Textile Mills Association, P. Box. No. 3, Nagpur.

266. The Indian National Steamship Owner's Association, Scindia House, Ballard Estate, Bombay.

267. Indian Oil & Produce Exporters Association, 57-59, Kozhi S l Street, Bombay.

268. The Federation of Woollen Manufacturers ing, Dougall Road, Ballard Estate, Bom

269. The All India Wool Trade Federation, Post Box No. 1051, Bombay.

270. The Cotton Textile Fund Committee, Shabibag House, Wittot Road, Ballard Estate, Bombay.

271. The Bombay Diamond Merchants Association, 3 Dhanji Street, Bombay.

272. Cotton Textile Export Promotion Council, 4th floor, Lansdowne Road, Apolo Bunder, Bombay.

273. Plastic Export Promotion Council, c/o All India Plastic Manufacturers Association, Chowpatty Chambers, Sandhurst Bridge, Bombay.

274. Automobile Association of Upper India, Theatre Communication Building, Connaugh Circus, New Delhi.

275. Northern India Automobile Association, Ltd., 7F, Connaught Place, New Delhi.

276. South India Soap Makers' Association, Post Box No. 74, Kozhi-Kode (Kerala) S. India.

277. Cashew and Pepper Export Promotion Council c/o Deputy Chief Controller of Imports and Exports, Willingdon Island, Cochin.

278. Madras Customs Clearing and Shipping Agents Association, Madras.

279. South India Automobile Association, 38A Mount Road P.O. Box No. 729 Madras-6.

280. The Leather Exports Promotion Council, c/o Joint Chief Controller of Imports and Exports, New Custom House, Madras.

281. Tobacco Export Promotion Council c/o Deputy Chief Controller of imports and Exports, Custom House, Madras.

282. Jewellers Association, Mookim House, Jaipur City.

283. Uttar Pradesh Automobile Association, 31A Canning Road, Allahabad.

284. Lucknow Merchants Association, 32, Aminabad Park, Lucknow.

285. Custom Clearing Agents Association, Amritsar.

286. Thomson & Co., Ltd., 9A, Ecplanade East Calcutta-1.

287. The Laxmi Overseas Traders, Gohil Tiles building, Jamnagar.

288. Parakh Shipping Corporation, Shipping Insurance, forwarding and clearing agents, Bentleys' Second, Kozhikode.

289. Calcutta International Airlines Committee, c/o K.L.M. Royal Dutch Airlines, 7, Chowringhee Road, Calcutta.

290. British Broadcasting Corporation, Prem House, Connaught Circus, New Delhi.

291. Cox & Kings (Agents) Ltd., Calcutta-1.

292. The Imperial Tobacco Company of India Ltd., P. Box No. 89, Calcutta.

293. Shri C. L. Patel, Editor India International, 13, Bara-Khamba Road, New Delhi.

294. Shri S. Vasudevan, Sole Proprietor of E.S. Doraswamy Iyer, Shipping Agent, Old Court Road, Kozhikode.

295. Anchor Line Limited, Ballard Estate Bombay.
296. Harrison & Cross Field Ltd., P. Box No. 4, Quilon.
297. The Standard Mills Company Ltd., P. Box No. 1038, Bombay.
298. Narotam Dass Harjivan & Co., c/o Chokshi Narottamdass Harjivan Chokshi Building, Khadkhad, Veravai (Saurashtra).
299. M/S Amin Chand Payre Lal 101, Narayan Dhuru Street Bombay-3.
300. Royal Cycle & Motor Co. Broadway, Madras.
301. Chhotu Bhai & Sons, General Merchants and Commission Agents, 121/123, Kazi Syad Street, Bombay-3.
302. Jal Cooper F.R.G.S. Standard Building Hornby Road, Bombay
303. Killick Nixon & Co., Private Ltd. Killick House, Home Street P.O. Box No. 109, Bombay-1.
304. Kodak Limited, P.O. Boz No. 343, Kodak House, Dr. Dada Bhai Naoroji Road, Bombay No. 1.
305. The Bombay Company (Pvt. Ltd.) P. Box No. 1081, Bombay.
306. Nowrojee Ardasoor & Sons, 24–26 Dalal Street P.O. Box No. 920, Fort Bombay-1.
307. The Calcutta Steam Navigation Co., Ltd., 5, Fairlie Place, Calcutta-1.
308. Engineering & Agencies (Pvt. Ltd.). P.O. Box No. 1291, Bombay.
309. Vijayam & Co. (Madras) Pvt. P.O. Box No. 144, 27, Thambu Chetty Street, Madras.
310. M/S Mani Lal Patel & Co., Kumar Building, 38, Cowasji Patel Street Fort, Bombay-1.
311. Greaves Cotton & Co., Ltd., 1, Forbas Street, P. B. No. 91, Bombay-1.
312. May and Baker Ltd., Worli, Bombay-12.
313. Imperial Chemical Industries (India) Private Limited, P. Box No. 287 & 310, Ballard Estate, Bombay-1.
314. P.H. Desai, Importer & Exporter & General Merchants, 5, Vithal Wadi, Bombay-1.
315. Narayan Timber Works, 67/23 Standard Road, Calcutta-6.
316. Goyals (Pvt.) Ltd. 19, Moti Jhil Avenue, Dum Dum, Calcutta-28.
317. Shanti Lal Sheth & Co., Exporters and Importers, Sekhasaria Building, 446, Sandhurst Road, Bombay-4.
318. The Associated Cement Companies Ltd. Cement House, 121, Queens Road, Post Box No. 397, Bombay-1.
319. The African Trading Co. Pvt. Ltd. 81, Khand Bazar, Bombay-3.
320. Turner Morrison & Co. Pvt. Ltd., 16, Bank Street, Bombay.
321. The Gramophone Company Ltd., Post Box No. 48, Calcutta.
322. The Scindia Steam Navigation Co. Ltd. Sindia House, Dougall Road, Ballard Estate, Bombay-1.
323. Shri M. M. Mulla, 91 Undria Street, Bombay-8.
324. India Steamship Company, Post Box No. 2090, Calcutta-1

325. Volkart Brothers, P. Box 3 Cochin-1 and Post Box 119 Bombay.
326. Jeewan Lal (1929) Limited, 127 Mint Street, P.B. 1389 Madras-1.
327. Indian Magicians Academy, Block 65, Bhatia Bhuwan, Ash Lane, Bombay-28.
328. The Paterson Engineering Company, 21 Theatre Road, P.O. Box 680 Calcutta-16.
329. M/S American Express Co. Ltd. Oriental Building, 364, Dr. Dadabhai Nowroji Road, P.O. Box 507 Bombay-1.
330. M/S Thos Cook & Sons, Cook's Building, Dr. Dadabhai Nowroji Road, Bombay-1.
331. The Orient Express Co. Ltd., Hotel Marina, New Delhi.
332. Jeena & Company, Passenger, Shipping, Clearing & Insurance Agents, 10 Veer Nariman Road, P.O. Box 849, Bombay-1.
333. Lee & Muirhead (India) Ltd. 12 Rampart Row, Fort Bombay-1.
334. Trade Wings Ltd. Travel Agents 30 Rampart Row, Fort Bombay-1.
335. Trade Wings (Calcutta) Ltd. 15, Old Court House Street Calcutta-1.
336. Balmer Lawrie & Co., Ltd. 21 Netaji Subhas Road, Calcutta-1.
337. Mercury Travels (India) Ltd. Grand Hotel P.O. Box No. 925 Calcutta-1.
338. Ram Mohan & Co. Ltd. The National Travel Services, P.O. Box No. 1723 Madras-1.
339. Bharat Travel Service Ltd. Tourist Agents, 310/311 Linghi Chetty Street Madras-1.
340. Iyer & Son Ltd. United India Building Connaught Place New Delhi.
341. Grindlays Bank Ltd., Post Box No. 98 Mint Road, Bombay-1.
342. G. Raghunath Muli Bank Ltd., Tourist Agents Hyderabad (Deccan).
343. Jamnalal Sons Ltd. (Hind Musafir Agency) Jehangir Wadia Building, 15 Mahatma Gandhi Road, Bombay-1.
344. The Indian Travel Corp. Ltd. Bans Phatak Banaras Cantt.
345. Air Freight Ltd. Neville House, Nicol Road, Ballard Estate, Bombay-1.
346. Globe Travels, 11-H Connaught Circus, New Delhi.
347. N. Jamna Das & Co. Travel Agents, 16 Bank Street, Fort, Bombay.
348. Asiatic Travel Service, P. Box No. 1568, IC Murzban Road, Fort Bombay.
349. National Travel Agency Mercantile Building, 9 & 10 Lall Bazar, Calcutta-1.
350. Saha & Rai Travels Ltd. Hotel Ambassador, Sujan Singh Park, New Delhi.
351. Escorts (Agents) Ltd. P. Box No. 187 Pratap Buildings Connaught Circus, New Delhi.

352. Vensimal Bassarmal & Bros., 521 Kalbadevi Road, P. Box No. 2112, Bombay.

353. B.I. Steam Navigation Co. Ltd. Ballard Estate, Bombay.

354. P. & O. Steam Navigation Co. Ltd. Ballard Road, Ballard Estate, Bombay.

355. Indo China Lino (Shipping Concern) Calcutta.

356. Java Pacific Lino (Shipping Co.) Calcutta.

357. Everett Star Co. (Shipping) Bombay.

358. Regional Tourist Office 123 Queens Road Churchgate, Bombay.

359. Regional Tourist Office 13, Old Court House Street, Calcutta.

360. Regional Tourist Office 88, Janpath, New Delhi.

361. Regional Tourist Office 35 Mount Road, Madras.

362. Tourist Information Office, The Mall, Agra.

363. Tourist Information Office, Krishna Vilas, Station Road, Aurangabad.

364. Tourist Information Office 15-B the Mall, Banaras Cantt.

365. Tourist Information Office 16A Mahatma Gandhi Road, Bangalore.

366. Tourist Information Office Chaurastha, Darjeeling.

367. Tourist Information Office Rajasthan State Hotel, Jaipur.

368. Tourist Information Office, Commissioner Road, Ootacamand.

369. Tourist Information Office, The Ridge, Simla.

370. Java Bengal Lino, 5-7 Netaji Subhas Road, Royal Insurance Building, P. Box 71, Calcutta.

371. Voltas Limited, 7/1 Ajmeri Gate, New Delhi.

372. Mackinnon Mackenize & Co. Pvt. Ltd. Bombay.

373. R. L. Seth & Co. Charkhewalan, Delhi-6.

374. M/s Lakshmidas Dwarkadas, 436, Sowcarpet, Madras.

375. D.C.M. Chemical Works New Delhi.

376. D.C.O. Narain Shaw c/o Kaleet Shaw Khalashi Mahalla P.O. Jamalpore Distt. Monghyr (Bihar).

377. Janki Das Fateh Raj, Kapoor Cloth Merchant Railway Bazar, Laskar, Saharanpur.

378. Indian Airlines Corporation Malhotra Building New Delhi.

379. Air India International Connaught Circus, New Delhi.

380. British Overseas Airways Corporation, Connaught Circus, New Delhi.

381. Pakistan International Airways Corporation, Connaught Circus, Metro Hotel, New Delhi.

382. M/S K. L. M. Royal Dutch Airline New Delhi.

383. M/S Trans World Airline, Santa Cruz Airport, Bombay.

284. M/S Air France, Connaught Circus, New Delhi.

385. Pan American Airways, Chowranghee, Calcutta.

386. The Insurance Association of India, Calcutta Regional Council, Marine Sectional Committee, India Exchange, Calcutta-1.

387. Satya Deva B.A., Road No. 21, Quarter No. 4 Gardanibagh. Patna.

388. Rallis India Limited, 10/90 Block, Connaught Circus New Delhi.

389. H. Fillunger & Co., Manufacturers Representative, Madras.

390. Swadeshi Cotton Mills Co. Ltd. Post Box 19, Kanpur.

391. All India Reporter Limited P. Box No. 56, Nagpur.

392. M/S Hard Castle Waud & Co. (Pvt.) Ltd. New Delhi.

393. The Editor, Hindustan Standard, Delhi.

394. The Editor, Hindustan Times, Delhi.

395. The Editor, Statesman, Delhi.

396. The Editor, Indian Express, Delhi.

397. The Editor, The Times of India, Delhi.

398. The Editor, Indian Express, Bombay.

399. The Editor, Amrit Bazar Patrika, Calcutta.

400. The Editor, Times of India, Bombay.

401. The Editor, Statesman, Calcutta.

402. The Editor, Hindu, Madras.

403. The Editor, Madras Mail, Madras.

404. The Editor, Indian Express, Madras.

405. Shri M. G. Gotheskar Retired Customs Apraiser 132, Hindu Colony, Bombay-14.

406. The Chairman Dock Passengers "Welfare Committee," Marine House Hastings, Calcutta.

407. M/S K. P. V. Shaik Mohamed Steamer Agents, Rowther & Co. Lingha Chetty Madras.

408. M/S Gordon, Woodraffe & Co., (Madras) Private Ltd. Steamer Agents, Madras.

409. M/S Binney & Co. (Madras) Ltd. Steamer Agents Armenian Street Madras-1.

410. M/s. Best & Co. Ltd. Steamer Agents, North Beach Road, Madras-1.

411. M/s. Burmah Shell Oil Storage of India Ltd. Steamer Agents, Madras-1.

412. M/s. Standard-Vacuum Oil Company, Steamer Agents, Madras.

413. M/s. Standard-Vacuum Oil Company, Steamer Agents, Bombay.

414. M/s. Standard-Vacuum Oil Company Steamer Agents, Calcutta.

415. M/s. East Asiatic Company Ltd., Steamer Agents, North Beach Road, Madras.

416. International Clearing and Shipping Agency, Steamer Agents, 2nd Line Beach, Madras.

417. Lienel Edwards Ltd., Steamer Agents, North Beach Road, Madras-1.

418. Messagerri Maritimis, Steamer Agents, North Beach Road, Madras.

419. M/s. Shah Wallace & Co. Ltd. Steamer Agents Thambu Chetty, Madras.

420. Parry & Co. Ltd., Steamer Agents Dara House Madras.

421. Volkart Brothers Ltd. Steamer Agents Armenian Street Madras.

422. F. X. Periera & Sons, Steamer Agents First Line Beach Road, Madras.

423. The Angus Co. Ltd. Steamer Agents, 3 Clive Road, Calcutta.

424. M/s. Burmah Shell Oil Storage and Distributing Co., Calcutta.

425. The Balai Lal Mookherjee & Co. 25, Swallow Lane, Calcutta.

426. The Bharat Line Ltd. 13 Brabourne Road, Calcutta.

427. The Anderson Wright & Co. Ltd. 7 Wellsly Place, Calcutta-1.

428. The C. C. & Co. Ltd. 14, Netaji Subhas Road, Calcutta-1.

429. The Caltex (India) Ltd., 22 Chittaranjan Avenue, Calcutta-1.

430. The Chiney Chalsani & Co., 3 Chittaranjan Avenue, Calcutta-13.

431. D. M. Lokhat 146 Lower Chitpur Road, Calcutta-1.

432. The East Asiatic Co. Ltd., 2 Clive Building, Calcutta-1.

433. The Eagle Steamship Co. Ltd., 12 Netaji Subhas Road, Calcutta-1.

434. The F. W. Heilgers & Co. Ltd. 4 Netaji Subhas Road, Calcutta-1.

435. The Grahams Trading Co. (India) Ltd. 6 Loyns Range, Calcutta-1.

436. The Glad-stone Loyal & Co. 4, Fairlie Place, Calcutta-1.

437. The Great Eastern Shipping Co. Ltd. 5 Clive Road, Calcutta-1.

438. The Hoare Miller & Co. Ltd. 5 Fairlie Place, Calcutta-1.

439. The Hindusthan Shipping Co. Ltd. 10 Canning Street, Calcutta-1.

440. The Indian National Steamship Co. Ltd. Mangoe Lane, Calcutta.

441. The James Finlay & Co. Ltd. 2 Netaji Subhas Road, Calcutta-1.

442. The Jardine Henderson Ltd. 4 Clive Road, Calcutta-1.

443. The James Warreh Co. Ltd. 31 Chowringhee Road, Calcutta-1.

444. The Lionel Edwards Ltd. 21 Old Court House Calcutta.

445. The Malabar Steamship Co. Ltd. 41 Lyons Range Calcutta-1.

446. The Mcleod & Co. 3 Netaji Subhas Road, Calcutta.

447. The Madhab Lal & Co. Ltd. 9, Lall Bazar St. Calcutta.

448. The Steel Brothers & Co. 8, Netaji Subhas Road, Calcutta-1.

449. The Turner Morrison Co. Ltd. 6, Lyons Range, Calcutta-1.

450. The United Liners Agencies of India Ltd. 17, Brabourne Road, Calcutta-1.

451. The United Salt Works Industries, 12 Dalhousie Sq. East Calcutta-1.

452. P. C. Roy & Co. (India) Ltd. 4 Lyons Range, Calcutta.

453. The Everest Steamship Corporation P. 35 Royal Exchange Place Extn. Calcutta-1.

454. D. D. G. House P. 35 Royal Exchange Place, Calcutta.

455. The M. K. Shipping & Chartering Co. Ltd. 22 Dalhousie Equare, Calcutta.

456. The Salween Timber & Construction Co., 9, Old Court House Street, Calcutta.

457. The Asiatic, Shipping Co. Ltd. P. 14 Mission Row Extension Calcutta.

458. The India Steamship Co. Ltd. 21, Old Court Road, Calcutta-1.

459. The F. X. Periera & Sons, 26, Brabourne Road, Calcutta-1.

460. The International Clearing and Shipping Agency, P. 31/32 Royal Exchange Place, Extension Calcutta-1.

461. The Eastern Steamship Pvt. Ltd. 13, Brabourne Road, Calcutta-1.

462. T. M. Shah, 8, Lyons Range, Top Floor, Calcutta.

463. The Andhra Trade Development Corporation 36, Brabourne Road, Calcutta.

464. S. C. Sanyal & Co. (Private) Ltd. 19, British India St. Calcutta-1.

465. Panch Kari Ghosh 26, Pa-Lok Street, Calcutta.

466. J. N. Marshall & Co. Laxmi Insurance Building 4th floor Room No. 24, New Delhi.

467. Shri S. D. Sharma Post Box No. 640, Calcutta.

468. The Laxmi Construction & Trading Co. 4th floor Laxmi Building Ballard Road Fort, Bombay.

469. Liaison Office Textile Noor Baugh, Bombay-9.

470. M/s. Latham Ahercrombic & co. Private Ltd. Forbes Building, Home Street, Bombay-1.

471. M/s. Kilachand Dev Chand & Co. Private Limited 45-47, Apollo Street, Fort, Bombay.

472. F. Friend Lacvder & Co. Pollok House, 18/B, Brabourne Road, Calcutta-1.

473. Indian Union Minerals Association, 4, Netaji Subhas Road, Chartered Bank Building, Calcutta.

474. M/s. Gopal Chand Puri & Bros. Importers & Exporters of Sanitary Wares & Fittings, 70, Mohd. Ali Road, Bombay-3.

475. International Trading Co. 13, Brabourne Road, Calcutta.

476. The Kay CEE Agencies 4th Floor, Bell Building Sir Phirozshah Mehta Road, Bombay.

477. Mr. J. N. Mukherjee, P. 36, Royal Exchange Place Extension 1st Floor Room No. 50, Calcutta-1.

478. The Chemical & Alkali Merchants Association, 242, Samuel Street, Vadgadi, Bombay-3.

479. W. T. Suren & Co. Private Ltd. United India Building, Sir Phirozeshah Mehta Road, P. O. Box No. 229, Bombay.

480. M/s. Shanti Lal Mohan Lal 182, Dady Seth Agiary Lane, Bombay-2.

481. The Asiatic Co. (Private) Ltd., New Delhi.

482. The Indian Oxygen & Acetyline Co. Private Ltd. Ghatkopar, Bombay-39.

483. M/s. Navyong Engineering Stores A-10, Lehri House, Mohmed Ali Road, Bombay.

484. M/s. Rajnikant & Co. General Tea Merchants & Exporters 60, New Brand Lane, P. Box No. 3087, Bombay-3.

485. M/s. Eve Fabrics Private Ltd. India House Dougall Road, Ballard Estate, Bombay-1.

486. British Drug Houses (India) Private Ltd. Harbans Singh Street, Post Box No. 1150, Delhi-7.

487. M/s. Sepulchre Brother (India) Private Ltd. Taj Building, Dadabhai Naoroji Road, Post Box 754, Fort, Bombay.

488. Armstrong Smith Private Ltd., Greasham Assurance House, Sir Phirozshah Mehta Road, P. Box 185, Bombay-1.

489. M/s. Jost's Engineering Co. Ltd. Electric & Mechanical Great Social Building, Sir Phirozshah Mehta Road, Bombay.

490. Climax Rock (India) Private, Ltd. "White House" 5th Floor, 91, Walkeshwar Road, Post Box No. 6162, Bombay-6.

491. M/s. Jiwan Ram Periwal Netaji Subhas Road, 113 B, Manohardas Katra, Calcutta-7.

492. M/s. Marshall, Sons & Co. (India) Limited Marshalls Building, Ballard Road, Post Box 124, Bombay-1.

493. The Dek Passenger Welfare Office, Mercantile Marine Deptt. Office of the Deck Passenger Welfare Committee "Commerce House" Currimbhoy Road, Ballard Estate Fort, Bombay-1.

494. The Deck Passenger Welfare Officer Merchanile Marine Deptt., Office of the Deck Passenger Welfare Committee, Old High Court Buildings Post Box 168, Madras.

495. National Steel Equipment & Co. Near Police Training School Naigaum Road, Dadar, Bombay.

496. Pan American World Airways System, Hotel Imperial, New Delhi.

497. Johan Wyeth & Brother Ltd. Post Box 1423, Steel Crete House Dinshaw Watcha Road, Bombay.

498. Dominion Plastic Industries Back-Bay-Reclamation Chowpatty Chambers, Sandhurst Bridge Bombay-7.

499. Dumex Private Limited Wavell House, Post Box, 667 Ballard Estate, Bombay.

500. Ceylon Trade Commission Ceylon House, Bruce Estate, Bombay.

501. Pearle Products Manufacturing Co. (Private) Ltd. Thackersy Hause, Graham Road, Ballard Estate, Bombay.

502. Shri N. Shri Nivasa Rao B.A., Fertilizer Factory, Purchase Dept. P. O. Sindri (Bihar).

503. Shri G. Ramamoorthy A.C.C.I. (London), Ruby General Insurance Co. Ltd. 32/33, Linghi Chetty Post Box No. 192, Madras.

504. Dr. T. N. Kapoor, Asstt. Professor of Commerce Lucknow University, Lucknow.

505. Scandinavian Airlines System, Hotel Imperial, New Delhi.

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List of Chambers of Commerce and Trade Associations who replied to the Public Questionnaire

S. No. *Name and address*

1. The Madhya Pradesh Mining Association, P. Box No 8, Nagpur.
2. Indian Jute Mills Association, Royal Exchange, Calcutta.
3. The Virudhunagar Chamber of Commerce Ltd. Virudhunagar (Madras State).
4. The Federation of Gujrat Mills and Industries, Baroda-1.
5. Calcutta Jute Fabrics Shippers Association, Royal Exchange, Calcutta.
6. Saurashtra Chamber of Commerce, Mahatma Gandhi Road, Bhavnagar.
7. The Madras Steamer Agents' Association, Madras.
8. The Crude Drugs Importers, Exporters and Merchants' Association, 12A, Lohar Chawl, Bombay-2.
9. Chamber of Commerce and Industry, P. Box No. 98 Vijayawada.
10. The Ahmedabad Mill & Gin Stores Merchants' Association, Ahmedabad.
11. The Perfumery Raw Materials Trade Association, Princess Street, Bombay-2.
12. The Precious Stones Importers & Exporters Association, Bombay-4.
13. Association of Merchants & Manufacturers of Textile Stores & Machinery, Sir Vithaldas Chambers, Bombay-1.
14. The All India Bullion Traders' Convention, 185 Shekh Memon Street, Bombay-2.
15. Bombay Industries Association C/o Kamani Metals & Alloys Ltd., Agra Road, Kurla, Bombay-37.
16. The Textile Manufacturers' Association, 4, Queens Road, Amritsar.
17. The Indian National Steamship Owners' Association, Scindia House, Ballard Estate, Bombay.
18. The Madras Oil and Seeds Association, Linghi Chetty Street, Madras-1.
19. The Nawanagar Chamber of Commerce, Chamber Hall, Jamnagar.
20. The Ahmedabad Mill Owners' Association, P. Box No. 7, Navrangpura, Ahmedabad.
21. The Tea Trade Association of Cochin, P. Box No. 81, Cochin-1.
22. Indo-Foreign Chamber of Commerce (Regd.), Katra Hari Singh, Amritsar.
23. Gujrat Vepari Mahamandal, P. Box No. 162, Ahmedabad.
24. The Malabar Chamber of Commerce, Kozhikode.

25. The Clearing Agents & Freight Brokers' Association, Grain Market, Jamnagar.
26. Calcutta Tea Traders Association, Post Box No. 280, Royal Exchange, Calcutta.
27. The Sonaputty Bullion Merchants' Association, 16, Nalini Sen Road, Calcutta-7.
28. Indian Tea Association, P. Box No. 280, Royal Exchange, Calcutta.
29. The Federation of Woollen Manufacturers in India, Dougall Road, Ballard Estate, Bombay.
30. The Scientific & Surgical Instrument Manufacturers & Traders Association, 128, Princess Street, Bombay-2.
31. The Cochin Chamber of Commerce, P.O. Box No. 16, Cochin-1.
32. The Madras Chamber of Commerce, Dare House, First Line Beach, Madras.
33. The Western India Minerals Association, Killick House, Home Street, Bombay.
34. Calcutta International Airlines Committee, C/o K. L. M. Royal, Dutch Airlines, 7, Chowringee Road, Calcutta.
35. Upper India Chamber of Commerce, Kanpur.
36. Jaipur Chamber of Commerce & Industry, Johari Bazar, Jaipur City.
37. The Cultured Pearls Importers and Exporters Association, 89/95, Zaveri Bazar, Bombay-2.
38. Madras Mica Association, Gudur (Nellore).
39. The Bombay Sanitaryware Association, 137, Mahatma Gandhi Road, Bombay-1.
40. Iron, Steel & Hardware Merchants' Chamber of India, 19, Bank Street, Fort, Bombay-1.
41. The Insurance Association of India, Calcutta Regional Council, Marine Sectional Committee, India Exchange, Calcutta-1.
42. Muccadam Association, 168/2, Samuel Street, Mandvi, Bombay-9.
43. Punjab & Delhi Chamber of Commerce, Scindia House, Curzon Road, New Delhi.
44. The Bombay Custom House Clearing Agents' Association, Bombay.
45. Bharat Chamber of Commerce, State Bank Building, Calcutta.
46. Indian Chamber of Commerce, India Exchange, Calcutta-1.
47. Tuticorin Chamber of Commerce, South Beach Road, Tuticorin.
48. The East India Cotton Association Ltd., Cotton Exchange, Marwari Bazar, Bombay-2.
49. Nag Vidarbha Chamber of Commerce, Temple Road, Civil Lines, Nagpur.
50. The British India Corporation, P.B. No. 77, Kanpur.
51. The Jewellers Association, Jaipur.
52. All India Importers & Exporters Association, Bombay.
53. All India Instruments Manufacturers and Dealers Association, Bombay.

54. The Bengal Chamber of Commerce & Industry, Calcutta.
55. The Madura Ramnad Chamber of Commerce, Madurai.
56. The Indian Chamber of Commerce, Tuticorin.
57. The Bombay Chamber of Commerce and Industry, Bombay.
58. The All India Manufacturers Organization, 4th floor, Co-operative Insurance Building, Sir Pheroze Shah Mehta Road, Bombay-1.
59. The Bombay Customs Dalals' Association, Bombay.
60. The Tamil Chamber of Commerce, 310/311, Linghi Chetty Street, Madras-1.
61. Oil Industries Supply Committee, P. Box 688, Bombay.
62. Customs Clearing Agents' Association, Custom House, Court Road, Amritsar.
63. Begg, Sutherland Co., Through Upper India Chamber of Commerce, Kanpur.
64. Calicut Chamber of Commerce, Kozhikode-1.
65. Indian Merchants' Chamber, 76, Veer Nariman Road, Fort, Bombay.
66. Hindustan Chamber of Commerce, 168, Broadway, Madras-1.
67. Bengal National Chamber of Commerce and Industry, P. 11, Mission Row Extension, Calcutta-1.
68. Federation of Indian Chamber of Commerce and Industry, 28, Feroz Shah Road, New Delhi.
69. Indian Non-Ferrous Metals Manufacturers' Association, India Exchange, Calcutta-1.
70. The Indian Chamber of Commerce, P.O. Box 136, Cochin-2.

List of Firms and individuals who replied to Public Questionnaire:

S. No. *Name and address*

1. Wheately and Yate, 11 & 12 Jaffar-Syrang Street, Madras.
2. Jeewan Lal (1929) Ltd. 127, Mint Street, Madras-1.
3. The Ahmedabad Electricity Co. Ltd. Bombay.
4. Aspinwall & Co. Ltd., P.O. Box No. 2, Cochin-1.
5. Madura Company (Pvt.) Ltd., Post Box 6, Fort, Cochin-1.
6. Associated Hotels, Maiden's Hotel, Delhi.
7. Mather & Platt Ltd., 7, Hare Street, Calcutta-1.
8. The Standard Mills Co. Ltd., P.B. No. 1038, Bombay.
9. The Federation of Electricity Undertakings of India, Killick House Home Street, Bombay.
10. Shaw Wallac & Co. Ltd., P. Box No. 14, Madras-1.
11. Alfred Herbert (India) Private Ltd., 13/3, Strand Road, Calcutta-1.
12. William Jacks & Company, 16 Netaji Subhas Road, Calcutta-1.
13. Hukam Chand Khanna, Clock Tower Street, Amritsar.
14. Don, Watson & Co. Private Ltd., 19, British India Street, Calcutta-1.
15. Charles Morgan & Co. Ltd., 314-315, Linghi Chetty Street, Madras-1.
16. S. Vasudevan, Sole Proprietor E. S. Doraswamy Iyer, Old Court Road, Kozhikode.
17. Turner, Morrison & Co. Private Ltd., 16, Bank Street, Bombay.
18. Greaves Cotton & Co. Ltd., 1, Forbes Street, Bombay.
19. Mackinnon Mackenzie & Co. (P) Ltd., P.O. 122, Bombay.
20. The Modren Mills Ltd., 70, Forbes Street, Bombay.
21. Shri V. V. D. Dhanapalan, C/o V. D. Dhanushkodi Nadar & Sons, P.O. Box No. 2, Tuticorin.
22. M/s. Ashok Leyland Ltd., N.S.C. Bose Road, Madras-1.
23. India Magicians Acadamy, Ash Lane, Dadar, Bombay-28.
24. Standard Vacuum Oil Company, P.O. Box No. 355, Bombay-1.
25. Lucas Indian Service (Pvt.) Ltd. P. B. No. 2213, Madras-2.
26. Shri P. C. Roy Chaudhari, 8/49, Fern Road, Calcutta-19.
27. Peirce Leslie & Co., Ltd., Post Box No. 1, Cochin.
28. Trade-Wings (Calcutta) Private Ltd. 15 Old Court House Street, Calcutta-1.
29. The British Broadcasting Corporation, I.E.N.S. Building, New Delhi.
30. The East Asiatic Co. (India) Pvt. Ltd., Bombay.
31. Hindustan Aircraft Ltd., Bangalore.
32. Royal Cycle & Motor Co., 13/14, Broadway, Madras.
33. Dalmia Cement (Bharat) India, P.O. Dalmia Puram, Distt. Tiruchirapalli.

34. M/S J. N. Singh & Co. (Pvt.) Ltd. Delhi.
35. M. M. Mulla, 91, Undria Street, Bombay-8.
36. Volkart Brother, P. Box No. 3, Cochin-1.
37. Jal Cooper, F.R.G.S., Standard Building, Hornby Road, Bombay.
38. Gordon, Woodroffe & Co. (Madras) Private Ltd., 1/21, North Beach Road, Madras-1.
39. The General Electric Company of India Private Ltd., Magnet House, Chittaranjan Avenue, Calcutta-1.
40. Indian Aluminium Co. Ltd., 31, Chowringhee Road, Calcutta-16.
41. C. C. Wakefield & Co. Ltd., White House, 91, Walkeshwar Road, Bombay.
42. The Imperial Tobacco Co. of India Ltd., P.O. Box No. 89, Virginia House, 37, Chowringhee, Calcutta.
43. Shri O. Krishnan, Managing Partner, All India Clearing & Trade Co., 13, Balfour Road, Kilpank, Madras.
44. M/S Cox and Kings (Agents) Ltd., A-3, Gillander House, Netaji Subhas Road, Calcutta.
45. Getz Bros. & Co., P.O. Box 152, 9, Brabourne Road, Calcutta-1.
46. Goyals (Private) Ltd., 19, Motijheel Avenue, Dum Dum, Calcutta-28.
47. Cooper Engineering Ltd. Satara Road, Bombay State.
48. The Scindia Steam Navigation Co. Ltd., 100, Frere Road, Bombay-9.
49. Kodak Limited, Kodak House, Dr. Dadabhai Naoroji Road, Bombay No. 1.
50. Madras Auto Service Pvt. Ltd., 37, Mount Road, Madras-6.
51. Gladstone Lyall & Co. Ltd., 4, Fairlie Place, Calcutta-1.
52. Hindustan Lever Ltd. Scindia House, Ballard Estate, Bombay-1.
53. Kilburn & Co. Ltd., 2, Fairlie Place, Calcutta-1.
54. The Gramophone Company Ltd., 33, Jessore Road, Dum Dum, Calcutta.
55. Kian Gwan Co. (Cal.) Pvt. Ltd., 5/B, Clive Ghat Street, Calcutta.
56. The Metal Box Co. of India Ltd., Barlow House, Chowringhee, Calcutta-20.
57. Imperial Chemical Industries (India) Pvt. Ltd., 34, Chowringhee, Calcutta-1.
58. Shri Surajmal Patolia, Jeweller, Johari Bazar, Jaipur.
59. F. Friendlaender & Co., Pollock House, 18/B, Brabourne Road, Calcutta-1.
60. The English Electric Company Ltd., 8, Netaji Subhas-Road, Calcutta-1.
61. Associated Electrical Industries (India) Private Ltd., 6, Mission Row, Calcutta-1.
62. The Burmah Oil Company (India) (Trading) Ltd., India Exchange, Calcutta.
63. S. D. Sharma, Post Box 640, Calcutta-1.
64. The Indian Oxygen & Acetylene Co. Private Ltd., Calcutta."

29. Representatives of the Cochin Chamber of Commerce, Cochin.
30. The Maharatta Chamber of Commerce and Industries, Poona.
31. Bengal National Chamber of Commerce, Calcutta.
32. Bharat Chamber of Commerce, Calcutta.
33. Bengal Chamber of Commerce, Calcutta.
34. The Iron, Steel and Hardware Merchants' Chamber of India, Bombay.
35. Muccadam Association, Bombay.
36. Clearing Agents Association, Calcutta.
37. The Bombay Customs Dalals' Association, Bombay.
38. Bombay Custom House Clearing Agents' Association, Bombay.
39. Madras Customs Clearing Agents' Association, Madras.
40. All India Importers' and Exporters' Association, Bombay.
41. Representatives of the All India Manufacturers Organization, Bombay.
42. Indian Non-Ferrous Metals Manufacturers Association, Calcutta.
43. Madras Jewellers and Diamond Merchants Association, Madras.
44. The Precious Stones Importers and Exporters Association, Bombay.
45. Passengers and Traffic Relief Association, Bombay.
46. Calcutta Customs Appraisers Service Association, Calcutta.
47. Shri Mihir K. Dev of Karimganj, Assam (Representing Betelnut Trade).

8 Departmental questionnaire sent to the Collectors of Customs.

SECTION I

Import Department

Import General Manifests

1. Filling of Import General Manifest within 24 hours.

Steamers have to wait in the stream for want of berth, to discharge ammunition or for any such reason and consequently it becomes very difficult for the carrier to submit the I.G.M. within 24 hours of the ships' arrival. Further,, before filing the Import General Manifest within 24 hours, the vessels' stores have to be checked by Preventive officers who must initial the store list, and therefore Import General Manifest should be allowed to be filed up to 48 hours after arrival of vessel.

2. Prior entries—supplementary—charging of

The old practice in the Custom House was to accept all the prior entries free of charge but the practice now is that the first prior entry is made free whereas supplementary prior entries are charged at Re. 1/- per item. This adds to the expense of the carrier unnecessarily and it is, therefore, desirable to revive the old practice.

3. Filling of Manifests before arrival of vessel.

Manifests are being filed approximately three days before the arrival of the vessels even though steamer agents can file them up to 14 days prior to the arrival of the steamer due to the reason that steamer agents are not inclined to submit manifests earlier as they are subjected to panalties if the steamer does not arrive within 14 days. Penal action should not be taken in the event of the steamer being unavoidably delayed.

4. Amendment fees.

Amendment fees are payable at the counter for effecting amendments of the manifests. The same may be accepted in terms of court fee stamps pasted to the bills of entry right on the spot or the same collected at the time of duty assessment.

5. Noting Bill of Entry—late receipt of documents.

When documents are received late and the manifest goes to the M.C.D. the noting clerk should, to avoid delay, take the Bill of Entry to the M.C.D. and note it straightaway there itself.

6. Amendment of manifest in Import Department when Bill of Entry description of goods differs from Bill of Lading description.

If goods are described differently in the Bill of Lading and in the invoices for the goods, the Bill of Entry is returned to the Importer calling for steamer agent's amendment in the Manifest and the Bill of Entry

noted only after the necessary amendments are submitted by them. As this would hold up the Bill of Entry for 3 or 4 days, the delay can be avoided by noting the objection on the Bill of Entry for the information of the Appraising Department, and then have the fact checked properly by the Appraising Section itself while completing the Bill of Entry.

Similarly, minor discrepancies noticed at the noting stage and usually requiring to be amended on agent's application can be dealt with by allowing the Bill of Entry to be noted if the main marks and general description in the Import General Manifest and in the Bill of Entry agree and then the description of the goods in the manifest amplified in accordance with the description furnished in the Bill of Entry without calling for such amendments from the agent and thus the work speeded up in the Import Department.

Coastal cargo

7. Speedy clearance of coastal free Cargo.

On the analogy of deliveries of cargo by the Port Trust on submission of Bills of Lading endorsed by ship owners for delivery, the present system of filing of Bills of Entry for clearance of coastal cargo moving from one Indian port to another may be dispensed with and the Customs may adopt also the procedure of endorsing the Bills of Lading that the goods are passed. In the alternative clearance may be allowed on deliver orders issued by the steamer company and endorsed by the Customs Department to the effect that goods are out of customs charge.

8. Clearance of coastal cargo mishandled at Karachi.

Cargo originally shipped from Indian Customs ports and mishandled unintentionally at Karachi due to circumstances beyond the steamer's control, should be allowed to be cleared freely on production of Bills of Lading, shipping bills, copies or certificates etc.

9. Advance deposits from tindals when cargo is jettisoned.

The Customs procedure at the ports of Mangalore, Calicut, Cochin etc. on the Malabar coast in respect of cargo, jettisoned by tindals of country crafts for saving the lives of the crew or the craft or the rest of the cargo is to demand an advance deposit from the tindal pending an enquiry into the act of jettisoning by him and arriving at a decision whether any penal action should be taken against him in respect of the goods shortlanded. As the enquiry is generally long-drawn, and the amount of deposit is locked up inordinately, much hardship is caused to the poor tindals. As any penalty that may be imposed could be recovered in virtue of and by the terms of the continuing bond field by the tindal and/or his surety, the demand for the advance deposit need not be made.

Ships' Stores

10. Payment of duty on ship's stores consumed in Indian waters.

Instead of paying duty and the entire ship's stores at the commencement port and claiming the refund of duty on the balance left at the last port of call in India, duty could be charged initially on the quantity which is to be consumed in Indian waters.

11. Extension of time limit for levy of duty on ships' stores.

A vessel is allowed to remain in port for 3 months before her stores become liable for duty. This time limit is barely adequate under the present day labour conditions and, therefore, the rule should be made more flexible to allow for the slow rate of work experienced these days.

12. Duty on ships' stores when vessel is diverted to coastal trade from foreign trade.

A reasonable time limit should be fixed within which Customs duty on ships' stores of vessels diverted to coastal trade from foreign trade should be demanded instead of prefering the same after a very long time from one to six years after a particular vessel has diverted to coastal trade ince such inordinate delays entail great hardship on steamer agents for erification and obtaining set off in respect of stores of Indian origin.

Light Dues

13. Light Dues.

At Cochin guarantees from steamer agents undertaking to produce light dues receipts on receipt from previous port were not Customs officers are sometimes unable to issue receipts to firms ment of light dues. In such cases the telegraphic advice of Cus cers to the next Indian port of call of the vessel to the effect ti dues have been recovered should be accepted. In the alt guarantees from the steamer agent may be accepted in such cas

Import—Coding of Bills of Entry

14. Code Section—Admission of Bills of Entry after checking numbers.

Delays occur on account of checking code numbers in Bills of The delay caused in the progress of the Bills of Entry can be avoic code numbers which are entered in the Bills of Entry are checked payment of duty instead of insisting that the Bills of Entry should admitted in the Appraising Department only after the code numbe such Bills of Entry are first checked.

15. Code Section—furnishing of separate values and weights.

If invoices do not give separate values and separate weights for sub-division as indicated in the Code Section, approximate values a weights may be allowed to be furnished.

SECTION II

BONDED WAREHOUSING

. Bond Section—Bulky packages for transhipment.

A suggestion has been made to dispense with physical warehousing of d cargo where the packages are bulky and are for transhipment by to some other Indian port to which no steamer is readily available.

Deptt. of Revenue.

Warehousing procedure—Demonstration of the working of machinery warehoused.

The warehousing procedure should be so extended as to permit the owner of the goods, if they be machinery, to demonstrate its working to the prospective purchaser subject, of course, to general Customs supervision.

18. **Opening of bonded warehouses at Tuticorin port.**

As merchants find it very difficult to pay enormous amount of Import duty, now that Customs duty on goods has been increased, a suggestion has been made for opening bonded warehouses at Tuticorin port to facilitate the merchants to deposit their goods in the warehouse and clear them in instalments on payment of duty.

SECTION III

Import and Export

Transhipment of Cargo

19. **Transhipment of cargo—Extension of time allowed.**

In view of the prevailing congestion in docks and the missing or wrong warehousing of packages the period of two months allowed for transhipment is not sufficient. Its extension to three months and also the grant of power to Collectors of Customs to extend the time further by three months in place of the present discretionary powers of extension of two months only already granted to them are required.

20. **Goods not Shipped within the period of transhipment allowed.**

Where the transhipment period has expired and the Customs do not grant an extension the cargo should be allowed to be forwarded to the port of destination, under the ex-bond procedure on production of clearance permit to the Customs. The licensing system should be waived and all other formalities relating to the ex-bond procedure should be simplified by the Customs in the general interests of the trade.

21. **Transhipment permits and documents—passing of—**

The coastal trade establishment should also follow the practice of giving import/export number together as is the practice in Import Department, and the Cash Department should retain and complete the transhipment permit of Deposit Account holders the same day if the permits are handed over to that department up to 5 P.M. The procedure of submitting all the transhipment documents which are in order in all respects for the order of the Assistant Collector should be discontinued and the transhipment permit in such cases need not be submitted to Assistant Collector but may be passed in the department itself.

SECTION IV

APPRAISING DEPARTMENT

– Distribution and handling of Bills of Entry and calling for documents.

Distribution and handling of Bills of Entry

22. Bill of Entry to be dealt with by Appraiser concerned.

A Bill of Entry filed correctly in the group should be dealt with by the Appraiser to whom it has been distributed by the group clerk or if that had been wrongly distributed, by the Appraiser cancerned with the assessment of the goods instead of the same being returned to the importers by the Appraiser as not relating to him. Even if transferred to another group the Appraiser should complete his unfinished Bills of Entry so that the importer may be saved the trouble of explaining all over again to his successor matters relating to goods covered by complicated Bills of Entry. Steps should also be taken to see that Bills of Entry are filed in the proper Appraising groups and there is no delay in distribution

23. Scrutiny and assessment of Bill of Entry containing various items which are dealt with by different groups.

The present practice of three or four Customs Appraisers scrutinising a Bill of Entry and documents for various items of equipment falling under their respective groups, involves the importer in numerous lengthy explanations to the Customs staff concerned. It would be better if one Appraiser handles the entire Bill of Entry covering all the equipment imported thus saving considerable time

24. Transfer of Bills of Entry for bulk lubricating oil to Preventive Department.

The entire work of assessment of bulk lubricating oil may be transferred to oil section of the Preventive Department as in the past as this will not only ensure quick disposal but also achieve uniformity in procedure for all bulk oils instead of the recent change of certification of the quantity by the oil Section and assessment to duty by the Appraising Department.

Priority to Bills of Entry

25. Grant of Priority to Bills of Entry for heavy consignments and for goods essential for national reconstruction.

Heavy consignments should be given some priority, considering that ...hey will incur greater demurrage and lead to greater congestion at the ...ocks than smaller consignments, if they are delayed.

Similarly, clearance of goods which are essential for national recons-...ction, the delay in whose clearance is likely to keep a lot of labourers ...e, should receive top priority and officers should have sufficient latitude ...allow clearance.

Priority to assessment of Bills of Entry where samples have been produced instead of assessment on strict rotation.

...riority for completion of Bills of Entry may be given in cases where ...les have been produced instead of taking up such Bills of Entry for ...ment in strict rotation.

27. **Assessment of unaccompanied baggage when final entry of the vessel into the port has not been declared.**

If considerable delay is caused in the assessment of unaccompanied baggage because documents cannot be completed until steamer agents declare final entry of the vessel into the port, the baggage should be allowed to be cleared quickly by giving the Bill of Entry for baggage "top priority" at every stage..

28. **Pririty for clerance of free goods.**

Priority should be given for clearance of free goods.

Calling for documents.

29. **Calling for particulars not given in invoice or packing specification**

If an appraiser requires particulars not given on the makers' invoice or packing specification he should immediately give the importer full details of what information he requires in order to make his assessment Definite rules also may be laid down as to the particulars to be furnished by the Importers in respect of goods falling under the various items of the Customs Tariff Schedule so that the importer will be able to present them along with the Bill of Entry in the first instance, thus obviating the need for any call for further information from the Customs Appraisers

30. **Calling for indent, acceptance, bank draft, etc., to cases requiring investigation only.**

The practice of the appraiser calling for indent, acceptance, bank draft and other documents for passing of Bills of Entry should be restricted to cases where the officers concerned genuinely feel that investigation is necessary.

31. **Calling for all documents at one time and assessment of Bill of Entry in the presence of the importers representatives.**

The scrutinising Appraiser should first ask for all documents at one time by means of a comprehensive demand in the first instance and, as far as practicable, classify and pass the Bill of Entry in the presence of the Importer's representative so that if any further explanation is required, it can be given on the spot and thus the necessity of having to return the documents over and over again avoided.

32. **Documents produced for earlier consignments should hold good for subsequent consignments for some time.**

Documents produced for the previous shipment of a particular commodity may be held good for some period, during which the same commodity may be allowed clearance without repeating the demands.

SECTION V

Appraising Department

Examination of goods

33. **Examination of a percentage of cargo instead of particular packages specified by numbers.**

At present the Customs instruct the dock examiner to examine and report a particular package or packages giving serial number. This

generally entails considerable practical difficulties, particularly when cargoes imported are large in size and searching for a particular package means waste of time. A percentage of cargo may be laid down for examination instead.

34. Reduction in the number of packages of the same product to be produced for examination.

As against the present practice of asking for four packages on first 100 and two packages on every next 100 packages, to be brought for examination, an importer may be asked to bring a maximum number of 50 packages only for examination when a consignment consists of more than 3000 packages of the same product in one packing.

35. Selection of packages by Examining Appraiser to be dispensed with.

The practice of instructing the examining officer in docks to select his own numbers in addition to the scrutinising Appraiser giving his own number out of a lot of 50 packages or more results in much inconvenience to the Trade, and the scrutinising Appraiser in Custom House may be asked to give the full number instead at the outset.

36. Order to weigh and inspect not properly carried out.

A complaint has been made that whenever a particular Bill of Entry bears a remark "Weigh and inspect lot" the Examiner generally, after weighment, does not take notice of the order to inspect the lot for a considerable time.

37. Percentage of excess weight and valuation to be ignored in Bills of Entry to be increased.

Excess weight and valuation should be ignored upto 2 per cent on foreign consignments instead of the present 1 per cent in Bills of Entry.

38. Unnecessary or superfluous Examination of goods to be done away with.

The present Customs examination of imported goods of nearly every entry that is put in is superfluous and extensive and tends to be routine in character. It should be limited to cases where goods have necessarily to be examined for a proper assessment.

39. Waiving of examination of some type of goods imported by the same consignee.

In the case of goods of the same type imported by the same consignee from the same supplier, Customs authorities should waive examination taking into account the *bona fides* of each case.

SECTION VI

Appraising Department

Bonds and guarantees

Acceptance of bonds and Guarantees

40. Acceptance of bonds and guarantees from firms countersigned by another established company or banks.

Prior to April 1955, Bonds and Guarantees under Sections 106 and 138 Sea Customs Act were accepted by Customs when countersigned by

another established company but since 1st April 1955 Customs have insisted that all Bonds and Guarantees be endorsed by a bank. As this procedure causes undue delay and can lock up a considerable sum of money with the bankers concerned, exceptions should be made in the case of large established companies of standing.

41. Signing of letters of guarantee by importer and surety in presence of Customs Appraiser.

The present procedure whereby the importer and surety are obliged to jointly sign all letters of guarantee in person in the presence of the Customs appraiser is very irksome and it has been suggested that the old practice whereby clearing agents and importers were permitted to sign letters of guarantee which can be checked against specimen signatures lodged with the customs should be re-adopted, since scheduled banks are becoming more and more reluctant to execute such letters of guarantee.

Release of consignments on Bonds and letters of guarantee

42. Assessment at higher rate pending result of test.

If there is a doubt about the Tariff item under which goods are to be assessed to duty and goods are sent for test, it is desirable to assess the goods at the lower rate accepting a surety bond from the importer supported by a scheduled bank to make good the duty if found leviable on the result of the laboratory test instead of the present system of assessing at the higher rate and granting refund, if any due, after test.

43. Assessment of machinery parts on bond.

Instead of calling for catalogues and details of horse power for each machine part which are generally not available immediately and thereby causing delay, it would be better to release the consignments provisionally on a bond and finalise later.

44. Release of consignments on letters of guarantee instead of on bond.

The system of releasing consignments on bond recently introduced could be replaced by releasing on simple letters of guarantee as was done before. Delay in the cancellation of letters of guarantee should be avoided.

45. Clearance of goods on letter of guarantee after sending a sample for test.

If goods are urgently required they should be allowed clearance on a letter of guarantee after submitting a sample for test.

SECTION VII

Appraising Department

Classification and assessment of goods

Uniformity of Assessments

46. Articles assessed differently at different ports—mouth organs and binoculars.

The disparity in the assessment to Customs duty of identical articles at different rates of customs duty at different ports should be removed. Thus, mouth organs are assessed to duty differently as month organs at one port and toys at another and binoculars are treated as toys at some ports.

47. Assessment of same goods differently at different ports.

Duty should be assessed on "invoice value" or "market value" uniformly at all ports. Madras and Bombay Customs, for instance, have recently decided to assess duty on cigarettes on c.i.f. value, while Calcutta Customs are continuing to assess duty on the market value.

Assessment on market and invoice values

48. Assessment on market value.

The practice of assessment of imported goods on market value should be restricted to cases where the invoice price is unascertainable only.

49. Assessment on market value to be abolished.

Since market value is always subject to fluctuations and the amount of duty also fluctuates and the importers cannot calculate the exact duty on the goods at the time of booking, it is desirable to abolish this system of assessment.

50. Market value assessments, reasonable margin of profit to be excluded therefrom.

As there are at present no principles formulated for the guidance of the trade as to how the market value is arrived at for assessment of duty (Sec. 30 S.C.A.) these principles should be formulated and circulated to the trade. The main objection of the trade is the assessment on the market value itself, but assuming that the Customs, continue to assess the goods under Section 30(a) Sea Customs Act and to arrive at a fair market value a deduction should be made from the market value of the imported goods reasonable margin of profit, clearing and banking charges and other reasonable expenses.

51. Assessment to be made on invoice value instead of on market value.

Assessment should be made on the values declared on Bills of Entry as per invoice, contract L/C. etc. and not on the market value as after all profit earned on imports which have higher market value than landed cost is shared by Government by way of Income Tax.

52. Assessment of goods having fluctuating price in foreign market.

In the case of such types of goods which have fluctuating prices in foreign market, as for example, Malaya and Colombo goods, contracts of purchases made with foreign suppliers should be admitted by the customs for the calculation of real value for duty purposes.

53. Assessment on c.i.f. value of all competitive products.

While customs duty is levied on market value in the case of proprietary products of big foreign manufacturers imported by large importers in India, small manufacturers import competitive products which are assessed on the c.i.f. value even though the two products have the same generic or chemical name. All such goods may be assessed on the c.i.f. value.

Assessment of various specified articles

54. Assessment under Section 21 Sea Customs Act.

The application of Section 21 Sea Customs Act should be waived in cases where the higher duty element is negligible.

55. Machinery parts—Assessment to duty.

Machinery consignments forming integral parts of plants or machines are invariably shipped piecemeal in two or more instalments. The parts supplied should be assessed to duty as part and parcel of the complete plant instead of according to their nomenclature as is being done at present.

56. Classification and assessment of machinery parts.

The duty on various component parts of machinery is higher than the duty on machinery at present. As it is not always possible for the industry to obtain both the machinery and the auxiliary equipment from one and the same source, the importers are put to considerable difficulties because of this procedure for levying the import duty. In foreign countries all parts of the same machinery are not produced by one and the same firm and the machinery is very often assembled with several parts manufactured by sub-contractors. The duty on the machine and the parts should be the same.

57. Assessment of machinery parts on merits.

Material imported for industrial projects are being classified under the existing practice on their own merits, according to the appropriate tariff classification, without reference to end use. There is need to go into this question with a view to encourage the development of new industries.

58. Assessment of bolts and nuts for machinery.

Nuts and bolts needed for putting a plant together and erection thereof are assessed separately instead of jointly and this causes difficulties in importing capital goods.

59. Rationalising the duty on unmachined castings.

In view of the considerable difference in the rates of duty on machined castings and on unmachined castings, ranging as they do from 10 per cent. *ad valorem* to 37½ per cent, *ad valorem*, and the bulk of the castings required by certain industries are imported in unmachined condition, either because they are used as such or after very little machineering for securing proper alignment the duty on unmachined castings should be rationalised.

60. Assessment of scientific and surgical instruments.

(a) The traditional definition of a scientific instrument for customs purposes as an instrument used for scientific purposes and requiring scientific knowledge and skill "should be replaced by a better one suited to modern developments".

(b) The appointment of science graduates as Appraisers to asses the above goods is desirable.

(c) In case of difference of opinion between importers and Customs a reference could be made to a scientific association or eminent scientist for a declaration whether the instrument is a scientific instrument or otherwise.

(d) An approved up-to-date classified list of scientific and electrical instruments under items 77 (2) and 73 Indian Customs Tariff should be made out.

(e) Laboratory articles should be classified according to the use to which they are put to, instead of according to the materials of which they are made.

(f) In the case of laboratory chemicals many samples need not be sent for test and thus delays may be avoided.

(g) As many sensitive instruments cannot be locally remedied, if damaged, the indiscriminate calls on production of delicate instruments for inspection should not be made.

61. Assessment of perfumery compounds.

Perfumery compounds which constitute raw material for industrial purposes should be classified as "Synthetic Essential Oils" and not as "perfumery Nos" which should cover only finished perfumes. Certain perfume compounds are assessed as "Synthetic Essential Oils" in one port and as perfumery in another port.

62. Commercial samples of no value.

Samples of no commercial value received purely for commercial purposes are subjected to disproportionate duty irrespective of their declared values.

63. Assessment of goods to Nepal and Saurashtra Ports.

Supplies to Nepal-Earmarking of portion of an imported parcel and its identification.

The present procedure of earmarking a portion of an imported parcel in the initial stages for the purpose of supplies to Nepal and identifying it to the entire satisfaction of the authorities at every subsequent stage i.e. from the point of importation to that of eventual despatch entails a rigorous method in segregating the stock and acts as a drain on the limited operational facilities and, therefore, the current procedure should be sufficiently liberalised so that it would be possible to effect supplies ex any of the bonded stocks and not from any specific stock for the purpose of identification. Besides, the period of 4 to 6 weeks now taken between the date of application for permission and the receipt of the actual permission could be reduced.

64. Foreign goods transhipped to Saurashtra Ports from Bombay.

In respect of the foreign goods imported on c.i.f. Bombay basis transhipment charges incurred for transhipping cargo coming from Bombay to Saurashtra ports should not be adjusted as it is done at present against the Licence value as they are paid in Indian currency and no foreign exchange is involved in such cases.

Second Appraisement system of assessment

65. Second Appraisement system—Extension to all commodities.

The second appraisement system now followed in respect of certain commodities should be extended to all commodities to expedite clearance work.

SECTION VIII

APPRAISING DEPARTMENT

Import trade control classifications

66. Rigid interpretation of the Import Trade Control by the Customs.

Certain goods (*e.g.*, a number of grades of mineral oil origin) are not allowed clearance on the ground that they are assessable to duty differently in spite of the fact that they were listed on the reverse of licences. This is a rigid interpretation of the Import Trade Control ignoring the concessions granted in the policy itself and is in conflict with the Chief Controller of Import's advice that licence showing specific categories should be accepted regardless of the classification for duty purposes.

67. Serial number of article to be mentioned in licences.

To minimise delay and help the speedy disposal of documents and avoid ambiguity of interpretation when goods arrive, the relative S. No. etc. of the article in question in the Import Trade Control Schedule should be mentioned in the licences when they are granted.

68. Consultation with Textile Commissioner's office and appointment of expert committee to deal with doubtful cases.

In the case of disputes regarding Import Trade Control classification relating to items of machinery, in addition to consulting Government Departments such as the Textile Commissioner's office, and on the spot Export Committee consisting of representatives of all interests should be asked to advise in doubtful cases.

69. Classification by Import Trade Controller.

In disputed cases the classification of the goods by the local Import Trade Controller should be adhered to.

70. Changes in classification—Adoption of practice prevailing prior to change.

If there is a sudden change in classification due to tariff changes, importers engaged in importing a commodity should be allowed to clear their cargoes in port/on water/and on indent committed to shipment on the basis of practice prevailing prior to the change and not penalised as a result of the change.

SECTION IX

APPRAISING DEPARTMENT

Other questions of assessment and procedure

71. Bills of Entry—endorsement to clerk for recording test report.

Importers should be allowed to obtain valid test reports direct from the test clerk in the Appraising Department in the first instance instead of the present practice of the Appraiser endorsing the Bills of Entry to the test, clerk for recording details of previous tests and importers collecting the Bills of Entry at the window which usually takes 2 or 3 days.

72. Test Report Register not up-to-date in Bombay.

The Test Report registers in the Appraising Department, Bombay, are not up to date and hence an Appraiser asks for a sample again. Formerly an Importer had access to the Test Report Register and he was able to quote the Test Report Number but a Bill of Entry now remains with the Test Clerk for a number of days for noting the test reference number. The registers should be maintained properly and test reports entered in the register immediately on receipt from the Chemical Examiner. An importer may be allowed to quote the reference number of the Test Report by referring to the Register or adequate staff may be kept to expedite the disposal of the Bill of Entry

73. Classification by Appraiser.

Appraisers always try to assess at the higher rate and when an importer seeks any classification or elucidation of any item he is either refused or referred by the Import Trade Control to the Customs and vice versa, and that if any classification is furnished at all the relative papers are not signed or initialled, in order to take action on arrival of the goods.

74. Classification furnished in Bills of Entry to be amended by importers without penalty.

The tariff classification of the goods imported as noted by the importer or his agent in the Bill of Entry should be allowed to be [illegible] without penalty in case it is found to be not correct.

75. Likely misuse of article should not be considered.

Once the identity of an article is established the [illegible] ment should not raise queries about its likely misuse [illegible] sufficient proof that the article is in fact used for some [illegible]

76. Time limit for inspection, audit and test.

A time limit for inspection of consignments [illegible] and test of samples should be prescribed.

77. Provision of facilities for importation [illegible]

Adequate facilities including [illegible] vided at intermediate ports so that goods [illegible] minimising the congestion at the major [illegible]

78. **Classification of trade discount.**

As traders should know what "trade discounts" are admissible, lists of various types of discounts covered by the expression "Trade Discount" may be prepared and the trade notified exactly what types are admissible for assessment of duty and what are not allowed.

79. **Payment of Import Duty against shipping documents.**

Customs documentation and payment of Import Duty on a Bill of Entry may be permitted on the production of non-negotiable shipping documents (*i.e.* invoices etc. marked non-negotiable and not passed through the bank) with a proviso subject to final assessment. If the final assessment reveals that the merchandise involved as described in the relative non-negotiable and corresponding original documents, has been correctly assessed, then no action on the Bill of Entry need be taken except confirming the assessment made. If the final assessment, however, reveals that there has been an error in the assessment, then the amount of duty short collected or excess collected may be recovered or refunded respectively.

80. **Difficulties in the clearance of goods by a dealer purchasing documents from importers.**

Forward selling of goods by the sale of documents before the imported goods actually arrive is the normal trade practice and as such, purchasers of such documents should be allowed to prepare the Bill of Entry in their own name and clear the goods. Of course, in this instance, the purchase of documents relates to the goods imported under OGL.

81. **Clearance of Export/Import cargo landed in excess by steamer agents without Import Trade Control formalities.**

Certain packages which form part of Export/Import cargo for which the carriers are unable to account and which are landed in excess of manifested quantity are declared as excess and they do not show marks and are in broken condition. As the carriers are unable to clear much 'excess' cargo since they are required to produce Import Licence and pay duty etc. and they have to pay to consignees claims for identical packages for want of identification of packages lying 'excess' in the port trust sheds, the carriers should be exempted from Import Trade formalities and should be permitted to clear without payment of duty, fees etc.

82. **Improving methods of assessment of over-carried cargo.**

Difficulties have been experienced in respect of overcarried packages. The procedure for the clearance of the over carried goods should be improved.

83. **Recovery of import duty on consignments short-delivered.**

An importer is obliged to pay import duty whether goods are received in full or not and to claim refund thereof afterwards. A suitable provision may be incorporated in the Sea Customs Act for allowing abatement or refund of duty in respect of goods lost or short delivered and the importer, in either case, being liable to pay duty only on such of the goods as were actually delivered to him. This provision will eliminate the difficulty experienced by importers of highly priced goods, *e.g.*

(1) Ipecac Roots,

(2) Ergot of Rye,
(3) Balsam Tolu.

I. Completion of Bills of Entry after office hours.

Completion of Bills of Entry in Custom House should be allowed lter office hours on payment when an importer has an accumulation more ian 20 Bills of Entry at a time and he makes such a request in writing.

5. Disputed Bills of Entry with note sheets.

The disputed Bills of Entry with note sheets attached are very diffi-ult to be traced in the Custom House. Such Bills of Entry move from ne section to another and remain unattended in these different sections or days together and the importers or their authorised agents find it ery difficult to locate these Bills of Entry. They also get no help om any section in their efforts for location. The tracing of such Bills : Entry should be made easy.

i. Issue of destruction certificates by Customs.

Certain goods are required to be destroyed and destruction certificates ive to be issued by the Customs in this respect. Such certificates are ued after lapse of a long time and consequently the importers concern-l have to suffer considerable wharfage and other expenses and losses r no fault of their own.

. Procedure for defective replacements in consultation with Import Trade Control authorities.

A simplified procedure governing defective replacements should be troduced in consultation with Import Trade Control authorities so at the operation of the machines is not held up and inconvenience and s to the owner of the machine by its non working is eliminated.

. Public Relations office—power to interpret the wording of licences and the Indian Customs Tariff.

As it is stated that interpretations of the wordings of licences and the dian Customs Tariff vary from Appraiser to Appraiser, the Public Re-ions Office could be composed of qualified members representing Cus-ms Appraising Groups who will be in a position to arrive at quick and ncrete suggestions and decisions in disposing of importers' difficulties classification and assessment of their importations. The ruling of the blic Relations Officer should be strictly accepted by the Appraisers.

SECTION X

APPRAISING DEPARTMENT

Changes in the classification of goods—notification of

. Changes in classifications—Board's rulings and notifications—circulation of.

There is delay in circulating the Central Board of Revenue rulings and tifications regarding the change in the rates of duty. If the trade is not ormed of the rulings it creates much uncertainty in the mind of the porter. It is also desirable to make such up-to-date rulings and noti-tions available to the trade in a compiled form.

(2) The Manual should be recast avoiding all cross references to various notifications which are valid and which may be indicated but not quoted.

(3) Notices of changes in rules and procedures should be sent to the travel and shipping agents.

(4) Changes in Import Trade Control and Indian Customs Tariff classifications should be made known to the trade by public notices as well as publishing in the Press and the practice of accepting licences as per old Import Trade Control classification should be continued for the licensing period during which change in classification is made.

90. Changes in the assessment of goods affecting established practice should be notified to the trade.

If a decision is taken on the classification of goods and duty levied thereon and if this decision or practice is not followed subsequently, the trade should be notified of the change in the established practice.

SECTION XI

APPRAISING DEPARTMENT

Adjudication of cases and appeals

91. Expeditious disposal of cases where goods do not bear the indication of the country of origin.

In the case of goods imported without indication of the country of origin, the present procedure of issuing show cause memos to importers and asking them to submit their explanation and on receipt of his explanation, passing orders for release of the goods after warning, or payment of nominal penalty or after stamping the goods with the country of origin, is very cumbersome as all these take two weeks at least and there is much delay before the Bill of Entry is completed by the Appraiser.

As there is very little meaning in releasing consignments bearing no indication of origin in the above three methods the objection may be finalized by the Appraiser or the Principal Appraiser himself without much botheration to the Importers taking into consideration the merits of the case and eliminating thereby unnecessary detention of the Bill of Entry. Stamping may be done after clearance.

92. Quick decision to be taken in M. M. Act and Import Trade Control cases.

When an infringement of Merchandise Marks Act and Import Trade Control regulations is noticed, an Importer's explanation should be taken immediately the "show cause memo" being issued on the very day the order is passed by the Assistant Collector and a quick decision arrived at.

93. Stamping of origin on small articles.

While it is not difficult to stamp the mark of origin on large articles customs authorities should not insist on such marks on small items where trade marks exist to identify the country of origin.

94. Appeals—disposal within a fortnight

Appeals against assessment should be disposed of within a fortnight.

95. Deposit of fines before filing of appeals

According to the existing procedure, a party is required to pay the penalty imposed on him first prior to making any appeal to the appropriate authority. Appeals should be allowed to be filed without any deposit as in Income Tax appeals.

96. Judgements in appeal should contain reasons for arriving at the judgment

Judgements are passed in appellate jurisdiction against the decision of the adjudicating officer simply concurring with the same without stating the grounds for such decision and this puts the appellant in a very awkward predicament as he cannot know the reasons for the failure of his case. A statutory directive to state the grounds of rejection should be made.

SECTION XII

APPRAISING DEPARTMENT

Staff

97. Technical staff for assessment of machinery

In the interest of quick disposal of work there should be on the appraisement side adequate technical staff with a working knowledge of various categories of machinery, their components and their end-use. This would reduce the hardship experienced at present by large industrial organizations who are importing heavy machinery and equipment.

98. Appraiser with technical knowledge of experience for each group

In each group there should be one Appraiser at least possessing the requisite technical knowledge and experience required for verification of the goods imported in that group.

99. Increase of staff

Increase of staff necessary for the prompt and quick disposal of work should be considered.

SECTION XIII

APPRAISING DEPARTMENT

Provisional Assessment and less charge demand

Provisional Assessments

100. Detention of goods when Appraiser finds some other tariff item more suitable for the goods and has to make enquiries

If on checking up the Appraiser finds out some other or more suitable Indian Customs Tariff classification applicable to the goods imported and thereby the rate of assessment to duty changes as well licence under which the goods can be allowed clearance also

the licence already produced by the Importers, and the Appraiser has to make market and other enquiries to decide the correct Indian Customs Tariff classification, it would take much time for him to complete all such inquiries. To eliminate the detention of the goods the Bill of Entry may be completed.

(i) under the usual licence as per previous practice on a provisional basis taking a suitable bond, if necessary, or

(ii) as per new classification on a *provisional basis* if the importers agree to the assessment as per new classification and undertake to produce a valid licence accordingly.

101. Provisional duty adjustments should be finalised within three months

By ensuring quick methods of investigation/decision, the claims on account of provisional adjustment should be made to move faster and provisional duty adjustments should be finalised within three months.

102. Provisional assessments of oil withdrawn from bonded oil tanks

The Customs recover 20% over and above the actual duty for the quantity intended to be removed from the bonded oil tanks for home consumption and for the incoming cargo in duty paid tanks. Since sufficient funds are always available with the Customs in Oil Company's Deposit Account, there is no need for the Customs to recover an additional 20% on such withdrawals. It has also been suggested that no provisional duty at all need be recovered since the stocks which are received in the bonded oil tanks for home consumption are also covered by the bond executed under Section 106 Sea Customs Act. It is, therefore, sufficient if importers are asked to pay the duty only after the stocks have been actually removed from the bonded oil tanks and then payment of duty will be made on the actual quantity withdrawn, thus avoiding the payment of provisional duty and consequent claims.

Less Charge Demands

103. Less charge demands to be endorsed within a specified period

Less charge claims have been made by Customs for Arbitrary amounts and cases are pending for final decision for years together.

(i) Paraphernalia of investigations/decisions must be made to move faster and decisions once taken should be enforced until a revised decision is finally taken.

(ii) Less-charge claims should not be made a wide practice and in cases where they become essential, the demand should be specific and not vague and all-pervasive.

(iii) As soon as a decision by way of revision in assessment or test results in favour of the importers is taken, the Letter of Credit claims should be rescinded immediately.

(iv) The less-charge claims should be limited by a validity for a specific period, thus making it impossible for such a claim to stand for years.

104. Withdrawal of demands for short levy of duty etc.

The Customs issue several types of demands, but very rarely importers receive confirmation of the withdrawal of such demands. A time limit of 3 months should be fixed within which if no further letter is received from the Customs it should be interpreted that the demand has been withdrawn.

SECTION XIV

APPRAISING DEPARTMENT

Issue of detention Certificate

105. Issue of detention certificates where consignments are detained for Customs enquiries or test etc.

When consignments are detained for customs enquiries for proper classification as per Indian Customs Tariff and Import Trade Control schedules or for any other detailed scrutiny detention certificates should be issued for the period of detention to the Port Trust authorities.

2. It has been suggested that instead of issuing separate Detention Certificates, it is better to put a stamp on the Bill of Entry showing the period during which the consignment was held up by the Customs for normal verification either on account of licence or on account of Customs classification.

106. Detention Certificates in cases where samples are called for but not sent for test

While detention certificates are issued by Customs on account of delay due to Import Trade Control formalities or analytical tests, and these are generally accepted by the Port Trust for the full period, no detention certificate is issued if the Appraiser calls for a sample and does not send it for test and the importer, therefore, has to suffer by way of demurrage on account of the delay in clearance. Detention certificates should be issued in such cases also.

107. Transit dues remission for time taken for assessment of machinery parts

When component parts of a single unit of machinery are charged to duty at different rates under the Indian Customs Tariff and time is taken by the Customs Department for such assessment no demurrage should be charged for the period. In such cases recommendations could be made to the Port Trust.

SECTION XV

APPRAISING DEPARTMENT

Licence and Audit Section

108. Handing over licence to importers after clearance of part goods for enabling them to produce the same licence for clearance of remaining goods arriving subsequently at another port

Under the present procedure where a licence has been partly utilised at one port of discharge it cannot be used at another port unless the

balance amount in the licence is transferred from the first port to the port where the balance of consignment has arrived and this necessitates the telegraphic transfer of necessary amount out of the relative licence for which the application has to be made to the Customs authorities at the port where the licence was first registered and this results in considerable delay apart from the excess wharfage payable by the importers. This delay could be avoided if the licence is returned to the importers after clearance of the goods at a port so that it can readily be used at another port without the necessary formalities of transfer of the amount.

109. **Transfer of licence value from one port to another by an express service**

As the present time taken for arranging for the transfer of licence value from one port to another is too long for shipments which have arrived earlier than expected or by air freight, an express service at an additional charge would ensure telegraphic transfer within 24 hours. Also if a separate department is opened for dealing with licences a "permit" or "release order" could be issued by this department for being posted by the importers to the port of importation.

110. **Procedure regarding telegraphic advices used up fully and in part**

Very often long delays have been noticed in getting delivery of consignments by telegraphic release orders, since customs authorities await the confirmation of the telegraphic orders by letters. It is suggested that where a balance against a telegraphic release order remains outstanding, the Customs copy of the telegraphic release order should be returned to the importer as in the case of import licence, so that the importer can file the copy of the telegraphic release order at the time of importing the balance of goods. The Customs authorities should also issue authenticated telegraphic release orders on which immediate action can be taken.

111. **Procedure for passing several consignments against one licence—creation of a separate section to deal with licences only**

While the Bill of Entry for one consignment is being passed against a licence and there are other Bills of Entry for other consignments against the same licence several consignments are held up with consequent delays and demurrage. A suggestion has been made that a separate section be created in the Customs to deal with licences only and as many copies as necessary of licences can be prepared by importers and certified correct by this Department for the convenience of Appraisers dealing with the different shipments. In the register to be maintained by this Department for licence, entries can be made of the items and value which are covered by each separate Bill of Entry and which would be passed by this department to indicate that the goods are covered by the licence, this being done in respect of each consignment so long as there is a balance on the licence.

112. **Licences should be registered on the same day and registers maintained up to date.**

Arrangements should be made to see that all the licences are registered on the same day and the Registers maintained up-to-date and steps should be taken to have an effective check of this.

113. Debiting of c.i.f. values in import licences for lubricants instead of deduced or tariff values

The simpler and rational method is to debit the c.i.f. values of goods on licence instead of the recent method of debiting the Import Licence for lubricants with the deduced or tariff values which are far in excess of the c.i.f. values:

114. Staff in the Pre-audit and licensing registration sections should be increased to cope up with inordinate delays.

The licence Registration Sections of the Appraising Deptt. are fearfully under-staffed with the result that Bills of Entry lie with these sections for hours. Sufficient hands should be posted to these sections and thus the quick passing of Bills of Entry in these sections ensured.

Sufficient staff should also be posted for audit of licences as there are often delays of two or three days in passing Bills of Entry received from all groups especially so in Madras where there are two clerks only for this work.

SECTION XVI.

EXPORT DEPARTMENT

Export General Manifests

115. Supplementary Export General Manifests—Extension of time for filing

In view of the procedural delays in the Customs in case of short shipment, shut out or any alterations or amendments, the period of 15 days from the sailing of the steamer which is allowed for filing the supplementary Export General Manifest with the shipping bills free of cost may be extended to one month.

116. Filing of Export General Manifests within 5 days

It would be difficult to submit export general manifests within five days of a vessel's sailing, particularly when a large quantity of general cargo has been loaded with correspondingly large number of Bills of Lading. The time may be increased to seven days excluding sundays and holidays as this would assist shipping companies and agents considerably.

Shipping Bills

117. Shipping Bills—Admission

In order to avoid delay in shipping and loading, shipping bills should be admitted straightaway at the Custom House instead of admitting them only after production of evidence of prior payment of shipping dues at the port office, thus leaving it to shippers to make their arrangements for payment of shipping dues simultaneously to the Port Office.

118. Amendment of shipping bill on payment of Re. 1/- affixing of revenue stamp

Instead of payment of Re. 1/- for each amendment in the procedure of allowing the exporter to affix reve adopted to expedite the work of amending the shi

119. Shipping Bills—Grant of 'let Export' order

The major port procedure of giving 'Let Export' order on shippin bills straightaway in advance with the qualification "after examinatio if necessary" should be adopted at the outports also instead of fir examining the goods at the wharves and then coming back to the Custon Collector for the 'Let Export' order.

120. Passing of shipping bills for free goods

Shipping Bills for freely exportable goods should be passed on th same day they are presented at the Export Department.

121. Passing of Shipping Bills within 48 hours

It is found in practice that the passing of the shipping Bills tak anything between 72 to 96 hours instead of the accepted time of withi 48 hours. The time taken to pass the Shipping documents may be r duced.

Validity of Export Licences

122. Validity of licences endorsed on Shipping Bills

The validity of licences endorsed in Shipping Bills may be extende to one month instead of issuance.

123. Validity of export licences—Extension of time for shipment

In view of the fact that steamers are not arriving at scheduled time at Saurashtra ports, validity of licences endorsed on shipping bills shoul be extended to one month instead of the existing practice of 15 days.

Exports of specified goods

124. Export of aluminium utensil manufactured in bond—Production o certificates of landing from the port of destination

At the time a Shipping Bill is filed for export of aluminium untensils manufactured under bond, a letter of Guarantee should be filed undertaking to produce within three months a landing certificate from the Customs authority of the port of destination that the goods have been landed in the port. The requirement seems to be superfluous and embarrassing, when the goods have actually put on board under Customs supervision. Further proof like the landing certificate in the prescribed manner is not, therefore, necessary.

125. Packing together of bond and non-bond goods

In the case of export of aluminium goods manufactured in bond with other goods not so manufactured, the packing together of the bond goods and the non-bond goods may be permitted in the interest of economy to save unnecessary packing and in view of the special nature of the items packed when the weights under each head have been declared distinctly and separately on the shipping bills.

Examination of export cargo

126. Discontinuance of procedure for examination of export cargo meant for customs port

The present procedure of filing a Shipping Bill covering certain class of cargo to Customs ports for shipment only after the cargo is examined by *Examining Officer, even if the cargo is meant for Customs ports* is causing a lot of avoidable delay, and may be discontinued.

Grant of Port Clearance

127. Grant of Port clearance to tindals in advance of full shipment

Port clearance in the prescribed forms should be given to the tindals of sailing vessels in advance of full shipment instead of the present procedure of granting port clearance only after all the goods are shipped since this will remove the hardships of the tindals of sailing vessels when loading cargo at tindal ports of Saurashtra such as Bedi port.

128. Port clearance for steamers—Hospital clearance certificate

In view of the altered situation at present, the production of the Hospital clearance certificate from the St. Georges Hospital may be dispensed with for granting clearance to steamers when the other shipping papers are produced.

129. Extension of time for port clearance of vessels

In Madras a port clearance is valid for 72 hours whereas in Bombay. it is valid for 48 hours only. An extension of the Bombay period would greatly assist in clearing vessels over a week and or during holidays.

130. *Vessels put back from Sea to be allowed to sail with original port* clearance and ships' papers

The present system of following the complete procedure of Import/Export and obtaining fresh port clearance in respect of vessels put back from sea due to stress of weather or engine trouble needs revision since it is felt that production of a fresh port clearance and all ship's papers are unnecessary and avoidable duplication of work. Steamers "put back from sea" may be permitted to sail with original port clearance and ships papers.

Miscellaneous

131. *Export duty and cess adjustment*

Delay in the adjustment of export duty and cess should be reduced.

132. Guarantee bonds in respect of export duty on Jute goods

Though export duty on jute goods has been abolished, the system of executing guarantee bonds still continues. The elaborate forms and formalities should, however, be simplified in the interest of the country's export trade.

133. Time limit for filling of short shipment notices

Under normal circumstances the time of 5 days from the date of sailing of a ship to file short shipment notices is adequate. But at the height of the season when large quantities of tea are being shipped, five days' period is insufficient. The period should be extended to 10 days.

134. Levy of penalty on dutiable export cargo found short when carried on coastal vessels

The penalty which is now imposed under Section 167 (17) Sea Customs Act on shortages of goods which are dutiable on export and which are noticed in a vessel plying on purely coastal trade only should not be levied for the simple fact that the vessel running on coastal trade carries cargoes between two Indian ports on Indian coast only.

SECTION XVII

APPRAISING DEPARTMENT

Export Appraisement

135. Shipments to be allowed against quota letters

The Customs authorities may be empowered to allow shipments against quota letters issued to established exporters, just as Bills of Entry are passed by Customs authorities against import licences instead of the exporters applying at the time of shipment to the Export Trade Control for endorsement on shipping bills for every shipment against the quota letter.

136. Overseas Trade descriptions

Overseas Trade descriptions of goods as supplied to exporters should be accepted instead of those furnished by manufacturers of supplies to the exporters.

137. Shipping Bill—Amendment of minor mistakes without penalties

The Customs Department should not impose excessive penalties for minor or technical mistakes in the declaration in shipping bill and the exporters should be allowed to amend the shipping bills for minor mistakes without penalties.

138. Holding up of Shipping Bills against objections raised piece-meal

In the case of a shipping bill being held up for any objection the exporter should be given an opportunity to explain his view point by sending him an objection memo containing all the objections pertaining to the shipping bill at the same time instead of raising them later piece-meal. Shipping bills submitted to Appraising Department should be assessed and returned on the same day.

139. Sampling of ores

Difficulties have been experienced in the method of sampling viz., drawing out, quartering etc. of samples of ores from dumps for test purposes and the whole procedure needs reviewing.

140(i) Shipments on consignment basis at Alleppey and Kozhikode on letters of guarantee for production of sale evidence

In the case shipments on consignment basis, the customs authorities at Alleppey and Kozhikode insist on a letter of guarantee for the production of the relative sale evidence within one month after shipment. This is not, however, the practice at Cochin. Alleppey and Kozhikode Customs should also follow the same procedure as in Cochin.

140(ii) Shipments at Alleppey to optional ports

It is stated that the Customs, at Alleppey demand a letter of guarantee or shipments to optional ports within one and the same country undertaking to inform the Customs within one month after shipment the final port of destination but the Cochin Customs do not ask for such a document. Alleppey Customs should also, therefore, waive such a letter of guarantee.

141. Delay in processing of shipping bills because the values of local price declared in shipping bills is questioned

There is considerable delay in processing shipping bills for certain items because the value declared in the shipping bills on the basis of the local price is sometimes questioned by the appraisers concerned. This delay should be avoided.

142. Excess or shortage in weight in export cargo to foreign ports

Excess or shortage in weight should be ignored up to 2% instead of 1% as at present in shipping bills and excess of licence value and weight up to 2% should be allowed instead of 1% at present.

143. Export of mineral Khaki Cloth—Acceptance of mill owners Association

Instead of detaining or delaying the export of mineral Khaki Cloth for their proper verification, a certificate endorsed by the Mill Owners' Association and produced by the exporters may be accepted for a period f one year. Similar certificates for particulars such as courts, dyes, olours etc. may also be accepted.

14. Non examination of Khaki Drills on Sundays

No examination of Khaki Drills is allowed on Sundays and this re-ts in shipment being missed often times. This disability should be noved.

. Passing of shipping bills for cotton waste on execution of guarantees for payment of duty

(i) A new procedure has been introduced in Bombay whereby shippers with Deposit Accounts can execute guarantees for the payment of duty after shipment and are then allowed to ship before the assessment of the shipping bills. This should be extended to other ports especially hin this would eliminate much of the delay whi perienced there.

(ii) The present procedure for passing shipping bills at Cochin involves 17 different operations and takes a day and a suggestion has been made that as an alternative to issue of demand letters by Customs, undertakings from shippers to produce freight memos and insurance certificates may be accepted.

146. Export of Coffee—Check weighment before grant of "Let Export" order

When the Central Excise authorities have certified the weight of coffee on the AR 4 form, it is not necessary for the Customs to insist on inspection and check weighment before giving the "Let Export" order. It would save a considerable amount of time if the inspection by the Preventive officer on the ship, who completes the A.R. 4 form, is accepted as sufficient.

147. Bank guarantee for goods shipped before test

In respect of goods which are tested subsequent to shipment, shipments are not permitted by the Customs authorities at present without the execution of a guarantee backed by a Scheduled Bank as surety. A reduction in the period of Bank's guarantee should be considered.

148. Export of linseed oil—Guarantee of genuineness to be filed with shipping bill

Shipping bills for linseed oil are now passed only after obtaining a guarantee from Exporters and bankers that the goods are genuine raw linseed oil, even though there is no export duty on the oil. The same procedure is adopted in regard to the export of cotton seed oil and nigerseed oil also. A representation has been made that such guarantees which were not asked for in the past, should not be demanded suddenly without due notice of the same being given to the trade and it is also very difficult for exporters to obtain the bank guarantee because they have to pay considerable amounts to the bank by way of interest for the amounts guaranteed. The suggestion made to get over the difficulty is that all vegetable oils should be allowed to be exported after proper analysis, thus waiving the requirement for production of the guarantee.

149. Damage to goods during Customs Examination—Improper packing

Overseas buyers often complain that considerable damage occurs to goods as well as to the packing during Customs examination due to the absence of proper re-packing arrangements in the Customs Department. Complaints of thefts and pilferages are also received. The re-packing arrangement should be improved.

SECTION XVIII

AIR UNIT SECTION

Assessment of goods

150. Air Customs procedure to be simplified

Special consideration should be given to simplify the procedure relating to air Customs since normally air freight consignments are urgently required so that the goods may be cleared in one day.

151. Release of unaccompanied baggage by air.

In the case of unaccompanied baggage by air, the baggage is usually excess weight and there is often delay in processing a Bill of Entry for the same through the customs to obtain possession. The clearance of the baggage should be speeded up. Unaccompanied baggage by air should be examined and released on the spot without sending them to the Custom House in order to enable the air agents to arrange prompt delivery of parcels to passengers.

SECTION XIX

POSTAL APPRAISEMENT

152. Form of Postal arrival notice to be amended and early issue of arrival notices

The information furnished in the Customs arrival notice in respect of parcels is stated to be "inadequate." If the following information is furnished in the Customs memorandum, there will be no difficulty in early connection of papers and clearance of the parcels concerned.

(i) Name of sender.

(ii) Amount involved.

(iii) A brief description of the contents of the parcels written legibly.

2. As delay is experienced in receipt of the intimation of arrival notices in the case of parcels by post, thus delaying clearance of the parcels, suitable measures should be taken to issue intimation of Arrival Notices containing sufficient particulars within 48 hours of arrival of all parcels. This is all the more necessary because it is not always possible to ascertain at which port goods sent from outside India will be kept in Customs for clearnance, and the recipient should ,be advised by the appropriate Customs authorities as soon as the goods arrive.

153. (i) Notifications to importers should be legible

Notifications to importers by customs postal Appraiser should be legible.

(ii) Return of parcel to senders before intimation to clear is received by importers

Cases of parcels being returned to sender, before intimation to clear is received by importers have been noticed. Steps should be taken to see that these do not recur.

51. Parcels for Jamnagar to be cleared at Ahmedabad and Jamnagar nstead of at Bombay

Tremendous delay is caused in the clearance of imports by post for mnagar by their being cleared at Bombay. It has been suggested that e Customs authorities at Ahmedabad as well as Jamnagar should be rusted with the work of clearance of such articles comin by t Gujrat and Saurashtra respectively.

·55. Appraisers in Postal Appraising Department to be empowered to ·ake spot decision

In the case of the postal appraising department if officers of the rank ·of appraiser are empowered to take on the spot decisions to dispose of ·ases submitted to them, the efficiency and speed of disposal of all the ·natters will be secured permanently and inordinate delays avoided.

SECTION XX

CHEMICAL TESTS

Delays in test

·56. Delay in receipt of test reports

It takes as long as one month in some cases to receive a test report. ·The maximum period for receipt of test report may be fixed as seven ·lays as otherwise the goods are liable to be damaged owing to double ·andling as they are moved from the landing shed to the warehouse after ·he last free days. Pending test, the goods may be cleared on bond or ·uarantee.

·57. Suggestions for expediting Test Reports

As Customs test reports are delayed inordinately resulting in belated ·learance and damage to cargoes detained in the docks the following ·uggestions have been made to obviate the difficulties *viz.*, that

(i) Goods of standard type having a long standing and reputation may be either exempted from chemical tests *i.e.*, chemicals bearing technical nomenclature such as MEK & MIBK, etc. or validity of test report is extended to cover 3 subsequent years. This should also apply to well-known chemicals and chemicals from well-known manufacturers.

(ii) Importers should be allowed access to Test Reports by issuing a duplicate copy by the Customs to expedite future clearance.

(iii) Modern methods and apparatus for testing purposes, which may yield quick results, should be employed.

(iv) The free period of clearance should be extended to four days to ensure completion of the normal procedure and clearance without payment of demurrage.

Validity of test reports

·58. Testing of Dyes

Samples of Dyes may be tested after two years of its previous test and ·the case of Dyes in various concentrations, the difference in strength ·ay be ignored and Customs may go by denomination of the product.

·59. Goods tested during the previous three years may be cleared on provisional assessment if samples are sent for test

Goods tested during the previous three years should not be held up for ·fresh laboratory test but if the appraiser considers it necessary for some ·pecial reasons to have a sample tested again, he may send a sample to ·e laboratory for test and pass the goods for clearance on provisional ·sessment which may be finalised within 30 days on receipt of test.

Establishment of more laboratories

160. Inadequate facilities for analysis

More laboratories should be established and the existing facilities for laboratories for analysis made adequate. Further, samples are drawn from Customs out-ports and sent to Madras for test thereby much delay being caused to the parties. There should, therefore, be a laboratory at each of the Customs ports where foreign imports are effected so that analysis may be done quickly and there may be no delay in clearing the goods.

Tests-Miscellaneous procedure etc.

161. Forwarding sample for test to Calcutta

Samples of imported medicines are sent to Calcutta by the Assistant Drug Controller, for analytical tests and there is a delay of a minimum one month to get the test results. Arrangements should be made to carry out the tests locally.

162. Acceptance of Blanket letter of guarantee valid for one year in respect of goods cleared pending the result of test

Pending the result of Chemical Examiner's test, an Importer is allowed to clear his goods on his furnishing a letter of guarantee for each consignment but in order to avoid delay the former practice of accepting blanket letter of guarantee valid for one year from firms of standing may be revised.

163. Taking of large quantities of sample for test

The findings of different test laboratories differ resulting in variation in the rates of Customs duty by different assessors and departments make unreasonable demand of 4 ozs. to 1 lb. of expensive oils for testing purposes. Small quantities of samples may be sent for test.

164. Priority for tests

Priority should be given for test of bulky consignments.

165. Assessment of oils at a standard temperature of 85 °F.

Accounting of oils should be one at a standard temperature of 85°F or any other equally suitable figure instead of the present basis of the temperature of the incoming consignment which differs for each import.

166. Assessment of bulk lubricating oil

Bulk lubricating oil of higher viscosities need *heating in a few cases* to the extent of 140°F, just prior to their discharge ex-tanker, to facilitate quick pumping and the heated oil takes some time to cool in the tanks. Temperature taken after a few days would be much above the natural reading and the increase in the temperature adversely affects the out-turn at the time of payment of duty whenever the duty rate on the quantitative basis is applicable. In the circumstances the ambient air temperature ruling on the day on which the tanks are dipped for computing the out-turn *or* the standard temperature at 85°F in all should be accepted as this will bring about the maximum accuracy in calculations.

180. Examination of baggage within office hours

If there are more than three packages to be examined, the Customs insist that examination must be carried out only during over time hours. As this entails delay, examination should be done during office hours only.

181. Assessment of accompanied baggage at the jetty or airport

Some items of accompanied baggage such as tape recorders (to quote from many) are detained by the examining staff at the jetty or airport and the passenger is made to approach the Custom House for its release against a formal Bill of Entry, thereby involving delay of at least 48/72 hours. Being in most cases essential requirements to the passenger's call in life, the goods should be passed straight away by the Appraiser on duty at the place of disembarkation. He should, if necessary, be empowered to pass on the spot all releasable articles.

182. Granting of free allowance landing certificate

In the case of passengers arriving either by air or sea whose baggage follows later, it would be better if free allowances landing certificates are invariably granted, in particular, for passengers arriving by air.

Clearance of unaccompanied baggage

183. Bill of Entry for unaccompanied baggage by sea to be assessed and released imediately the personal effects are landed or delivery permitted on baggage declaration form

A suggestion has been made that the Bill of Entry for unaccompanied baggage arriving by sea should be released from Custom House in time for clearing the packages immediately they are discharged from the vessel as there is a pilferage of personal effects lying at the docks. The present procedure of clearing the unaccompanied baggage on a Bill of Entry takes nearly a week and causes much inconvenience to a passenger and hence the previous practice of passing unaccompanied baggage on a baggage declaration form may be revived.

184. Percentage examination of unaccompanied baggage

In the case of unaccompanied baggage instead of examining the entire lot as at present, a part, say about 10% or so, may be examined at rendom based on the inventory list produced by the importer.

185. Clearance of samples of no commercial value, gift parcels and unaccompanied baggage received by air frieght

Bills of Entry should not be insisted on for clearing samples of no commercial value and gift parcels and clearance should be allowed according to the procedure that was in force previously and unaccompanied baggage received by air freight and by steamers should be allowed clearance on baggage forms. The consignee himself should also be allowed to clear his personal effects through Customs and docks.

186. Top Priority for unaccompanied baggage

The baggage rules stipulate that unaccompanied personal effects must arrive in this country within two months of the arrival date of the passen

ger and upto four months with the permission of the Collector of Customs and baggage arriving after a period of four months is subject to duty which must be paid at once and for which an application for refund of duty may then be submitted and forwarded to the Central Board of Revenue, the only authority that can sanction it. Clearance of baggage should be allowed quickly within the free days by giving the Bills of Entry for baggage 'top priority' at every stage.

Release of Radio imported as baggage

187. Delivery of documents in time to international officials importing a radio

When international officials import radio with their personal effects, the customs authorities should issue a document (W.T. 123) to enable the recipient to obtain a radio licence from the Postal authorities within two weeks of the entry into India of the radio but in spite of efforts, the customs authorities are stated to be not delivering these documents when the goods are passed so that the post office, in turn, refuses to give a radio licence merely on production of the Bill of Entry for the goods. A check should be devised against omission of issue of the document W.T. 123, by the customs.

Examination of baggage and supply of forms and pamphlets

188. Baggage inspection—Expeditious disposal by increasing the number of officers

The inspection of baggage should be expedited by increasing the present number of examining officers and adequate training should be given to the staff so that they may be more courteous and less harassing to the passengers. They should also not strictly adhere to the law but should ordinarily be lenient and quick and ask for any required information from the passengers giving due respect to their feelings.

189. Supply of pamphlets of free allowances under Baggage Rules

It would be advisable to give incoming and outgoing passengers pamphlets of free allowances admissible under the baggage rules for their guidance and also to give wide publicity by issue of hand bills and public notices in vernacular languages and keeping special officers at the place of embarkation and disembarkation to explain to the passenger the details of permissible allowance of baggage articles which can be imported or exported by a passenger. As passengers coming from or going to foreign countries may not be aware of the existing Baggage Rules, it would be fair that the restricted goods brought by passengers from foreign countries should be returned to them when they return to the foreign countries, provided they had declared, when they came, such goods, and in the case of passengers going to foreign countries, restricted goods which are declared by them should be allowed to be returned into the country.

190. Export Declaration forms to be given to shipping Agents for distribution to passengers.

Customs should provide shipping agents with a stock of blank Export Declaration forms for distribution to passengers at the time of booking, so that the same may be filled in advance by the passengers before arriving at the embarkation berth.

191. Issue of 'G' Forms to passengers

Customs Officers should explain to passengers the importance of 'G' form in relation to unaccompanied baggage and issue a 'G' form where necessary.

192. Foreign Tourists—Undue detention

Foreign tourists should under no circumstances be detained for more than five minutes.

193. Luggage in Bond

Luggage kept in 'Bond' should not be charged for at the prevailing high rates.

SECTION XXIII

PREVENTIVE DEPARTMENT

Ships' Stores

194. Store List

Masters of vessels have expressed difficulty in declaring the vessel's stores in the store list and severe action has been taken by the Customs Department on minor discrepancies in counting and entering the articles in the store list. This age long practice of counting and filling up each and every item can be minimised and the form itself revised suitably.

195. Inventory of stores on board ship

The procedure for taking inventory on board a ship appears to differ from port to port. At Calcutta, Customs officers do not take into account the stores supplied at Calcutta while at other ports inventory includes the stores supplied at the port where the inventory is taken. The Calcutta procedure would result in payment of duty on Indian stores when set off is granted on the basis of inventory. The position, therefore, requires examination.

Preventive Department—Other procedure

196. Cinema Films for show on board a vessel

If Cinema films are required to be put on board a passenger vessel for holding cinema show for recreation of passengers, it should be allowed on application to the Preventive Department accompanied by list of films in triplicate and after the show, such films should be allowed to be brought back either on an application or a baggage form instead of a shipping bill and the Bill of Entry procedure and thus delay and demurrage can be avoided.

197. AR-4 forms to be despatched to Central Excise Collectorate

Despatch of copies of the AR 4 forms to the Central Excise Department after shipment of the goods should be expedited.

198. Mate's receipts—Return to exporters expeditiously

Excise and other procedures require that mate's receipts issued by the Master of the ships have to be produced by the Mukadams before the Preventive Officers of Customs. These receipts should be returned

to exporters promptly as these constitute the most valuable document of evidence of export since the duplicates are not issued easily. This is not being done at present.

199. Smuggling of gold

As the result of the amendment of the Sea Customs Act in 1955 wide powers have been given to the executive and such powers have been abused and unnecessary harassment has been caused to the innocent and bona fide dealers for valuable consideration.

A very prompt enquiry in all matters of seizure of gold bullion from the traders should be made and a quick decision should be arrived at. A separate Tribunal consisting of a Law Member and executive officer under the chairmanship of Ex-Judge of High Court by Government should be constituted for appeals in Customs cases, as is done in the Income Tax and Sales Tax matters. This will, undoubtedly, create confidence in the public. The suggestion that parties who are not satisfied with the decision of the Customs Department should be allowed to have recourse to law courts in general may also be considered.

200. Examination of baggage of incoming and outgoing passengers travelling between Indian ports need not be made

At ports like Karwar, Tadri, Kumta, Bhatala, Maple, Mangalore, Calicut and Cochin, passengers (both incoming and outgoing) travelling between Indian ports are being subjected to Customs Baggage examination. This should be done away with; there are no Customs restrictions on movement of passengers by air within the Indian Union.

201. Delay in relaxing Section 167(7) Sea Customs Act in respect of oil consignments

There have been cases of delay in relaxing the provisions of Section 167 (7) Sea Customs Act in respect of oil consignments; this delay should be avoided.

SECTION XXIV

CASH AND ACCOUNT DEPARTMENT

202. Acceptance of cheques from oil companies in payment of dues as against challan from Reserve Bank of India

Customs should accept oil companies' cheques in payment of dues nstead of insisting on payment by means of a challan in the Reserve lank of India.

03. Time for receipt of cheques in Cash Department in payment of import and export duty

In view of the fact that most of the payments are now done by Re-rve Bank cheques, payment of both Import and Export duty may be owed upto at least 4-30 p.m. on week days and 1-30 p.m. on Saturdays.

l. Time for adjustment of bills by Deposit Account in Accounts Department

Normally, adjustment of bills through Deposit Account is permitted to 3-00 p.m. on working days and on Saturdays till 12 noon. Adjust-t of bills should commence from 10-00 a.m. each day and bills should

Deptt. of Revenue.

be accepted till 1-00 p.m. on Saturdays and till 4-00 p.m. on all other working days.

205. Recording of entries in pass books

Shippers maintain deposit accounts with the Customs authorities to which all dues relative to tea shipped are debited. It is stated that at Calcutta port, entries of transactions are not promptly made in the pass books, nor are these books returned to the shippers duly completed in time. It has sometimes happened that transactions over a period of 6 months were not recorded in the pass book.

SECTION XXV

PORT TRUST

206. Delay caused in clearance due to inadequacy of the Customs enclosures in the Port Trust Transit sheds.

Considerable delays are stated to be due to inadequacy of the Customs enclosures in the Port transit sheds. The enclosures should be increased.

207. Port Trust dock gates should be kept open upto 6 P.M. for exports as in imports

Clearance of import cargo out of the docks is allowed upto 6-00 p.m. but export cargo is not allowed entry into the Port Trust premises after 4-30 p.m. Export cargo also should be permitted through the docks normally upto 6-00 p.m. particularly as often times the ships load during the night hours.

SECTION XXVI

ADMINISTRATION

Inadequacy of Staff and lack of properly trained personnel.

208. Augmentation of staff and starting of Training School for Appraisers

Inadequacy of staff, lack of sense of urgency and absence of qualified technical staff in the Appraising Section contribute mainly to the delay in the assessment of the Bills of Entry. The Appraisers are not fully trained particularly with respect to the import of machinery and the Government of India should start a training school for appraising officers and a special cadre of officers should be formed and trained to deal with consignments requiring special technical knowledge. The appointment of technical Appraiser in each group, the increase of Appraising staff for the Air Unit section, the increase of staff in the section dealing with despatch of chemical test reports and increase of technical staff for testing samples in the Customs laboratory are all needed urgently to speed up the clearance of goods.

209. **Dearth of Customs staff at Jetties and Docks and inadequacy of shed Appraiser's Office at the Jetties and Docks hambering speedy clearances**

The problem of the dearth of Customs staff at the Jetties and Docks and the inadequacy of shed Appraiser's office at the Jetties and Docks hindering the speedy clearance of the goods should be solved so that goods

may be appraised and cleared from the docks on one and the same day. The question of allocation of more examining officers and Appraisers at each import shed wherever necessary, should be considered. In calcutta port, for example, there is only one Appraiser and one reporter looking after Jetties Nos. 7, 8 and 9 and such is the system in all other docks also. The posting of one appraiser and one reporter to each jetty and dock should be considered.

210. Urgent transhipments etc. should not be held up for want of officers

Customs officers are often not available for accompanying transhipment cargo, ship stores, etc. in spite of applications made in advance, and consequently such cargo/stores sometimes cannot be shipped by a particular vessel. Sometimes the services of Preventive Officers are obtained only late in the evening. This involves additional fees and conveyance allowance to Customs Officers for overtime work and overtime payments to firms' employees. The present cadre of Preventive Officers should, therefore, be augmented. The existing rules should also be so revised as to ensure that urgent transhipment cargo, ships stores, etc. do not miss shipment because an officer cannot be supplied.

211. Constitution of squad of leave reserve to attend to work of personnel gone on leave

In case there is lack of adequate staff or alternatively there is no prompt substitution of staff for personnel gone on temporary or casual leave, provision should be made for an adequate leave reserve by having a mobile relief squad of officers who could be moved at short notice from group to group in the department affording relief wherever necessary. The Assistant Collector should also go round at least once in his section and see that each group is sufficiently manned for the days work and the absentee appraiser's work is taken up by a substitute immediately.

212. Increase in the pay scale of the appraiser in order to attract better type of people to the cadre who could tackle Customs problems properly

The real reason for the delay in the Appraising Department appears to lie in quality of staff as is available, although the shortage of staff is only a contributory factor towards avoidable delay in Customs clearnace. Men in the Appraising Department are not equipped with the mental ability required to solve the type of Customs problems with which they are continuously confronted, and with the present structure of wages in force it is impossible to attract to this type of employment personnel of high calibre. Wages should be increased substantially and better type of men taken to solve this particular problem in the Customs Department.

Transfer of Customs outports from the Collector of Central Excise to the Collector of Customs.

213. Customs Ports under the control of the Collector of Central Excise, Madras to be placed under the Collector of Customs, Madras and properly trained customs officers to be posted for customs work in minor sea ports.

At present Customs ports are under the control of Collector of Central Excise, Madras and men who are not conversant with the Customs Rules and Procedure are posted to the Customs Port and they are not found

efficient to cope with the work and thereby the work of the merchants suffers to a large extent.

Properly trained officers, Appraisers and Inspectors should be posted in the Customs Department in minor sea ports in sufficient strength so as to give speediest disposal of Customs work in place of the officers of Central Excise Department who are at present entrusted with Sea Customs work at those ports to avoid delay in disposal of Customs papers. The outports should be placed under the control of the Collector of Customs, Madras.

Miscellaneous

214. The functions of a Preventive Officer and an Appraiser posted for assessment and shipment of export cargo

At present it is laid down that Preventive Officers and Appraisers must both be present during shipment of export cargo, the former to allow such cargo to be shipped, and the latter to assess duty. It seems that these functions could well be combined and carried out by one Officer, thus economising in Customs staff and reducing expenses for shipping companies.

215. Improvements to be made in the Customs set up

The following suggestions have been received by the Committee for improving the Customs set up:—

(i) If the variation of the import policy is going to be an unavoidable feature, then appraisers should at least be attached to groups for a reasonably long time.

(ii) The importer should be guided by the Customs to classify goods properly.

(iii) In case goods are brought in without licence, severe penalty should be imposed. If goods for which licence is required but there is no licence form part of other licensed goods imported under valid licence along with the main machinery, a lot of latitude should be allowed to Assistant Collectors to help to clear the licensed goods.

(iv) The practice of presenting the Bill of Entry direct to the Appraiser be revived.

SECTION XXVII.

OTHER RECOMMENDATIONS

Office Procedure

216. Proper maintenance of records and files in Customs Department and safeguards against loss

Considerable delay has been noticed in tracing previous files and linking the same with letters received. Suitable measures should be adopted for proper maintenance of records and files in the Custom House so that any particular recorded document can easily and quickly be located. Remedial measures should be taken to guard against loss and misplacement of documents in the Custom House.

217. All correspondence should be acknowledged by the Customs

The Customs should formally acknowledge all correspondence immediately on receipt or as soon as possible, as this will let the claimant know that his letter is receiving attention and has not gone astray.

Co-ordination in customs and trade control matters.

218. Liasion between the Public Relations Officer and Import Trade Control authority and establishment of Indian Customs Tariff and Import Trade Control co-ordination enquiry office in the Customs

There should be closer liasion between the Customs Collectorate and the Import Trade Control Authority as in many cases enquiries are referred by the Public Relation Officer to the licensing authorities for the required information. Customs should establish an Import Trade Control and Indian Customs Tariff co-ordination enquiry office and all enquiries by the Trade for Indian Customs Tariff and Import Trade Control classification should be replied to in writing on the spot to eliminate complaints arising from classification changes. Queries regarding the validity of import under certain headings and the rates of Customs duty thereon should be replied to and confirmed in writing within 4 days of the receipt of the enquiry.

219. Interpretation of Import Trade Control matters

The matters of Import Trade Control classifications should be interpreted exclusively by the Import Trade Control authorities independently of Customs.

220. Co-relation with Import Trade Control and Indian Customs Tariff and foreign trade statistics maintained by the Director General of Commercial Intelligence and Statistics

There should be co relation with the Import Trade Control and Indian Customs Tariff and foreign trade statistics maintained by the Director General of Commercial Intelligence and Statistics.

221. Committee to be formed to incorporate Indian Customs items numbers and Import Trade Control serial numbers into the alphabetical code book

A Committee should be formed to incorporate the Indian Customs Tariff item numbers and the Import Trade Control items into the alphabetical code Book.

222. Liberal interpretation of Import Trade Control rules and passing of contraventions of minor nature without objection

Liberal interpretation should be given to the Import Trade Control rules and contraventions of a minor nature and small excesses say upto Rs. 500 should be passed without objection and the Importers intimated about the correct classification for future guidance.

223. Procedure for re-shipment of goods without penalty

One of the conditions prescribed at present by the Customs authorities for allowing re-shipment of goods refused by the importer *viz* production of the licence for the goods for inspection is diffi

ly and it is, therefore, suggested that the importer may be permitted to re-ship the goods free of penalty subject to—

(i) his giving a declaration of his intention at the time of filing the Bills of entry, and

(ii) his producing a letter from the shipper agreeing to take back the goods.

MISCELLANEOUS

224. Need to have same lunch hours and uniform hours of work for Customs and Port Trust

The lunch hours in the Customs is 1 P.M. while it is 12 NOON in the Port Trust. This difference in lunch time delays clearance of goods and so there is a need to have the same lunch hours for both the departments.

Since the piece rate system has so considerably increased the rate of work by the labour within the Port of Bombay, and the Customs personnel do not work the same hours as the other users of the Port of Bombay, many delays have ensued both in the loading and the discharge of cargo in port with consequent hindrance to the turn round of ships. The Customs staff should also work similar hours as the other users of the port so that Customs laws and procedures should not act in restraint of the efficient operation of a Port but should be complementary.

225. Simplification of the Tariff

A simplified tariff by which too many tariff items, too many classifications, and too many rates of duties could be avoided, should be evolved.

226. Few heads only for rates of Customs duty so as to simplify customs procedure

There should be few heads only for the rates of Customs duty *viz.*—

(1) Machinery and parts.

(2) Basic material for industries.

(3) Consumer goods.

(4) Luxuries.

227. Laying down broad principles for classification

For purposes of classification broad principles may be laid down whereby the classification can be rendered easy without loss of revenue to Government and this would lead to quick assessment and disposal of document in Appraising Department.

228. Daily list of Exports published at Bombay

In the daily list of Export published by the Collector of Customs Bombay, the actual port of destination of each consignment is not now shown and only the country of destination or an even wider area is now shown. As it is now impossible even to ascertain to which part or region, of a specific country some goods are consigned, it is suggested that the actual port could also be shown in the Daily List of Exports with very little trouble as before.

229. More non-officials should be represented on the Customs Advisory Committee

The Customs Advisory Committees as they are constituted at present consist more of officials than non-officials. More non-officials should be given representation in the Committee.

230. Establishment of Customs Advisory Committee in every region

Customs Advisory Committees should be established in every region with representatives of trade organisations, clearing agents, associations, port department, steamship agents and country craft owners, in order to discuss various local problems peculiar to the relative regional port and disposal of local question.

231. Export Trade representatives to be allowed to represent their case before the Customs Advisory Committee at Bombay

Adequate facilities should be given to representatives of the public associations representing the export trade to state their points of view in the Customs Advisory Committee of the Collector of Customs, Bombay.

232. Sufficient number of weighing scales to be provided in sheds

The number of weighing scales provided by the Port Trust in the Customs sheds is inadequate and separate weighing scales should be provided in each Customs shed.

233. Clearing agents and shipping agents should be given accommodation in Customs to complete their documents

The clearing agents and shipping agents should be given accommodation in the Custom House to enable them to note corrections etc. in the Bills of Entry and other documents without having to take them to their own offices.

234. Seating accommodation to the public in the Bombay Custom House

The Bombay Custom House should provide all reasonable facilities, such as seating accommodation etc. to the members of the public who have to attend at the Custom House.

235. Holding of courtesy weeks by Customs

To create a healthy atmosphere at the Customs ports, courtesy weeks once or twice a year should be held.

236. General suggestions for improvement of work in the Customs Department

Opinion is invited on the following suggestions:—

(I) Whether it would not be profitable to associate non-officials and chambers of commerce in a Committee to deal with the immediate disposal of clearance of goods and passengers baggage, and to increase the powers of the Import and Export Advisory Committees which are at present only adviso[illegible] in nature. These suggestions should be giv[illegible] per[illegible] [illegible] and, if, possible, a non-official chairman [illegible] a

for each Committee. A Committee with official and trade representatives should also be formed to ensure uniformity of classification of goods, method of valuation and refunds.

(2) The Port Trust Boards should be re-organised fully representative of all interests. The Customs Department and important Chambers of Commerce, should find a place in the place of present ones.

(3) The staff of various Departments may be recruited from the Trade with knowledge and experience who could discharge their duties efficiently such as appraising, interpretation and the like.

(4) Reference to higher authorities on every minor matter could be avoided if authoritative local committees are constituted and only appeals should be provided in case of aggrieved parties.

237. Delhi to be an in-land port

Delhi should definitely be a land customs port, as this is the largest distributing centre in India and Customs duty should be charged on the arrival of the goods over here. Thereby, there will be more efficiency and the burden on the Bombay port would be lessened.

SECTION XXVIII

Import Trade Control

238. Import Policy—Red Book to contain two more columns showing the Import Trade Control classifications the corresponding Indian Customs Tariff classifications and rate of customs duty

The Importers import a certain article under the Import Trade Control classification with an understanding that it would fall under a certain item of the Indian Customs Tariff schedule and the Customs, however, classify it under some other item. With a view to avoid a dispute later on, the Import Policy Red Book should contain two more columns showing Indian Customs Tariff No. and the rate of Customs duty and this would co-ordinate the work of the Import Trade Control office and the Customs authorities.

morandum issued to Ministries of the Government of India and State Governments

No. CRC-3 57

GOVERNMENT OF INDIA

NISTRY OF FINANCE (DEPARTMENT OF REVENUE)
CUSTOMS REORGANIZATION COMMITTEE

C/o The Collector of Central Excise,
Central Revenues Building,
Near Harding Bridge,
Mathura Road,
New Delhi.

11th March 1957

The Secretary to the Govt. of India,
Ministry of ....
New Delhi.

The Chief Secy. to the Government of ....

Customs Reorganization Commitee

n *directed to forward herewith 3 copies of the Resolution of the* ment of India appointing this Committee and setting out its terms rence.

As far as the Committee is aware, the following are some of the matters in which the various Ministries and departments of Gov- it are regularly concerned with the Customs administration in

(i) Imports and exports of Government stores and other articles on behalf of Government or of institutions or organizations in which Government is interested.

ii) Implementation of trade and other agreements with *foreign* countries or *foreign institutions.*

i) Implementation of exemptions, prohibitions and restrictions in *respect of imports and exports.*

v) Imports and exports of relief supplies and *of gifts and presents made by foreign governments.*

(v) Visits of foreign dignitaries and *delegations.*

i) Arrival and departure of *tourists.*

ii) Organization of exhibitions and *international conferen*

If in connection with any of these items, problems, difficulties of any kind or delays are being experienced from the operation of existing Indian Customs procedures and formalities, the Committee will be grateful if the departments concerned could be instructed to furnish the Committee direct with concise memoranda setting out these difficulties and to offer such practical suggestions for their solution as are calculated to remove or to minimize them early.

I am to add that it will greatly assist the organization of the Committee's work if these memoranda could be despatched *in quintuplicate* so as to reach this office not later than the 15th April 1957.

Yours faithfully
V. S. RAMASWAMY, Secy.,
Customs Reorganization Committee.

List of Ministries and Departments of the Government of India to whom the memorandum, dated the 11th March, 1957 was issued

1. The Secretary to the Government of India, Ministry of Information and Broadcasting, New Delhi.
2. The Secretary to the Government of India, Natural Resources & Scientific Research, New Delhi.
3. The Secretary to the Government of India, Ministry of Rehabilitation, New Delhi.
4. The Secretary to the Government of India, Ministry of Home Affairs, New Delhi.
5. The Secretary to the Government of India, Ministry of Law, New Delhi.
6. The Secretary to the Government of India, Ministry of Production, New Delhi.
7. The Secretary to the Government of India, Ministry of Works, Housing and Supply, New Delhi.
8. The Secretary to the Government of India, Ministry of Transport, New Delhi.
9. The Secretary to the Government of India, Ministry of Railways, New Delhi.
10. The Secretary to the Government of India, Ministry of Iron and Steel, New Delhi.
11. The Secretary to the Government of India, Ministry of Heavy Industries, New Delhi.
12. The Secretary to the Government of India Ministry of Agriculture, New Delhi.
13. The Secretary to the Government of India, Ministry of Food, New Delhi.
14. The Secretary to the Government of India, Ministry of Education, New Delhi.
15. The Secretary to the Government of India, Ministry of Communication, New Delhi.
16. The Secretary to the Government of India, Ministry of External Affairs, New Delhi.
17. The Secretary to the Government of India, Ministry of Defence, New Delhi.
18. The Secretary to the Government of India, Ministry of Commerce and Consumer Industry, New Delhi.
19. The Principal Secretary to the Government of India, Ministry of Finance, New Delhi.
20. The Deputy Secretary, Ministry of Finance, Revenue Division, New Delhi.

21. The Secretary to the Government of India, Ministry of Development, New Delhi.

22. The Secretary to the Government of India, Ministry of Planning, New Delhi.

List of the Ministries and Departments of the Government of India who replied to the Memorandum, dated 11th March, 1957

1. Under Secretary to the Government of India, Ministry of Transport (Transport Wing), New Delhi.
2. Under Secretary to the Government of India, Ministry of Defence, New Delhi.
3. Under Secretary to the Government of India, Ministry of Food and Agriculture (Agriculture Deptt.), New Delhi.
4. Under Secretary to the Government of India, Ministry of Commerce and Industry, New Delhi.
5. Under Secretary to the Government of India, Ministry of Food, New Delhi.
6. Under Secretary to the Government of India, Commerce and Industry (Production Wing), New Delhi.
7. Under Secretary to the Government of India, Ministry of Works, Housing and Supply, Government of India, New Delhi.
8. Surveyor General of India, Surveyor General's Office, Post Box No. 37, Dehra Dun (U.P.).
9. Exploratory Tubewell Organisation, Ministry of Food and Agriculture, New Delhi.
10. Hindustan Aircraft Ltd., Bangalore.
11. General Manager, South Eastern Railway, Garden Reach, Calcutta.
12. Under Secretary, Indian Council of Agricultural Research, Queen Victoria Road, New Delhi.
13. Geological Survey of India, 27 Chowringhee Road, Calcutta.
14. General Manager, Southern Railway, Headquarters Office, Store Branch, Madras.
15. General Manager, Central Railway, Victoria Terminus, Bombay.

List of the State Governments to whom the Memorandum, dated 11th March, 1957 was issued

1. The Chief Secretary to the Government of Andhra Pradesh, Hyderabad.
2. The Chief Secretary to the Government of Assam, Shillong.
3. The Chief Secretary to the Government of Bihar, Patna.
4. The Chief Secretary to the Government of Rajasthan, Jaipur.
5. The Chief Secretary to the Government of Travancore and Cochin, Trivandrum.
6. The Chief Secretary to the Government of Madhya Pradesh, Bhopal.
7. The Chief Secretary to the Government of Madras, Madras.
8. The Chief Secretary to the Government of Bombay, Bombay.
9. The Chief Secretary to the Government of Mysore, Bangalore.
10. The Chief Secretary to the Government of Orissa, Cuttack.
11. The Chief Secretary to the Government of Punjab, Chandigarh.
12. The Chief Secretary to the Government of Uttar Pradesh, Lucknow.
13. The Chief Secretary to the Government of West Bengal, Calcutta.
14. The Chief Secretary to the Government of Jammu and Kashmir, Srinagar.
15. The Chief Secretary to the Government of Himachal Pardesh.
16. The Chief Secretary to the Government of Manipur, Manipur.
17. The Chief Secretary to the Government of Tripura, Tripura.
18. The Chief Secretary to the Government of Andaman and Nicobar Islands.

List of the State Government Departments who replied to the Memorandum dated 11th March 1957

1. Under Secretary, Finance (E) to Delhi Administration, Delhi.
2. Secretary to the Government of Kerala, Store Purchase Department, Trivandrum.
3. Inspector General of Police, Madras.
4. Secretary, Excise and Taxation Department, Government of Rajasthan, Jaipur.
5. Chief Administrative Officer, Directorate of Transport [illegible] Government of West Bengal, 5 Nilgunge Road, [illegible]

List of Ministries and Departments of the Government of India who replied to the Public Questionnaire

1. The Chairman, Deck Passenger Welfare Committee, Ministry of Transport, "Marine House", Hastings, Calcutta-2.
2. The Chairman, Deck Passenger Committee, Ballard Estate, Bombay-
3. The Under Secretary to the Government of India, Ministry of Defence, New Delhi.
4. The Chief Controller of Imports and Exports, New Delhi.

List of the State Government Departments who replied to the Public Questionnaire.

1. The Secretary to the Government of Kerala, Trivandrum.

emorandum issued to Diplomatic Missions and U.N. Agencies in India through the Ministry of External Affairs

No. CRC-3/57

GOVERNMENT OF INDIA

MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)

CUSTOMS REORGANISATION COMMITTEE

C/o The Collector of Central Excise,
Central Revenues Building,
Near Hardinge Bridge,
Mathura Road, New Delhi.

11th March 1957

Customs Reorganization Committee

Sir,

I am directed to forward herewith for your information 3 copies of the Resolution of the Government of India appointing this Committee and setting out its terms of reference.

2. As far as the Committee is aware, Foreign Missions and U.N. Organizations in India would be concerned with the Customs administration in this country, in respect of the following:

(i) Implementation of diplomatic privileges and conventions.

(ii) Visits of foreign dignitaries, trade delegations, cultural dele tions etc.

(iii) Organisation of exhibitions and international conferences.

(iv) Implementation of trade and other agreements.

(v) Imports and exports of relief supplies and of gifts and pr sents made by foreign governments.

(vi) Imports and exports generally in which foreign trade com missions may be interested.

(vii) Customs clearance of personal baggage of foreign nationals.

If in connection with any of these items, problems, difficulties of any kind or delays are being experienced by the operation of existing Indian Customs procedures and formalities, the Committee will be grateful if you will please furnish it with concise memoranda, illustrated, if possible, with specific examples, and be good enough to offer such practical sug-gestions as may help to improve matters. It would be of considerable alue to the Committee if your memoranda contained such information s may be readily available with you regarding procedures followed in ther countries in similar matters.

3. It will also greatly assist the organization of the Committee's work these memoranda could be despatched in *quintuplicate* so as to reach is office not later than the 8th April, 1957.

4. I am to add that in regard to item (i) above, the Committee would e to inform you that it would be outside its terms of reference to con-er questions involving the *scope* of diplomatic privileges and conven-ns.

Yours faithfully,
V. S. RAMASWAMY, Secy.
Customs Reorganization Committee.

List of Diplomatic Missions and U.N. Agencies who replied to the Memorandum, dated 11th March, 1957

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1. Royal Norwegian Embassy, New Delhi.
2. Embassy of the Federal Republic of Germany, New Delhi.
3. Polish Embassy, New Delhi.
4. Philippines Legation, New Delhi.
5. American Embassy, New Delhi.
6. The Apostolic Internunciature in India, New Delhi.
7. Austrian Legation, New Delhi.
8. Embassy of Switzerland in India.
9. Embassy of Brazil in India, New Delhi.
10. Royal Netherlands Embassy in India, New Delhi.
11. High Commissioner for the United Kingdom, New Delhi.
12. Food and Agriculture Organization of the United Nations, 21, Curzon Road, New Delhi.
13. Regional Director, W.H.O. Regional Office for S.E. Asia, New Delhi.
14. United Nations Children's Fund, Patiala House, Hardinge Avenue, New Delhi.
15. United Nations Information Centre for India, Burma, Ceylon and Nepal, 21, Curzon Road, New Delhi.
16. United Nations Educational, Scientific and Cultural Organization; South Asia Science Co-operation Office, 21 Curzon Road, New Delhi.

List of subjects on which facts were obtained from the Central Board of Revenue, Collectors of Customs or Central Excise or the Chief Controller of Imports.

S. No.	Subject	Authorities consulted.
1.	Brussels definition of value and Brussels nomenclature—adoption of	Central Board of Revenue.
2.	Delay in the Custom Houses in the completion of customs formalities.	Collectors of Customs, Bombay, Calcutta & Madras.
3.	Country crafts plying between coastal ports—Amount of Customs Bond, acceptance of deposits etc.	Central Board of Revenue.
4.	Representation from British Broadcasting Corporation—Request for exemption for taking out a licence for imported goods which are re-exported.	Chief Controller of Imports and Exports, New Delhi and Deputy Secretary, Govt. of India, Ministry of Finance, (Deptt. of Revenue), New Delhi.
5.	Question regarding delay in clearance in the Appraising Deptt. of Custom Houses.	Collectors of Customs, Bombay, Calcutta, Madras, Pondicherry, Collectors of Central Excise, Delhi, Shillong, Collector of Land Customs, Calcutta.
6.	Bank's guarantee—Execution of, by Importers.	Chief Controller of Imports & Exports, New Delhi.
7.	Import Trade Control and Indian Customs Tariff Schedules—co-ordination of.	Central Board of Revenue.
8.	Delay in scrutiny of Import Control Licences in Appraising Section and Licence Audit Section.	Central Board of Revenue.
9.	Report on the formalities observed by a foreigner on arrival in and departure from India.	Collectors of Customs, Bombay, Calcutta, Madras and Collector of Central Excise, Delhi.
10.	Clearance of Air Passengers by means of oral declaration.	Collectors of Customs Bombay, Calcutta, Madras & Collector of Central Excise, Delhi.
11.	Free days in Port Trust-allowance for clearance of Imported goods.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
12.	Rummaging of sailing vessels	Collectors of Customs, Bombay, Calcutta, Madras, Cochin, Collectors of Central Excise, Bombay and Madras.
13.	Customs problems connected with Import/Export Trade—Liaison between the two Departments.	Joint Chief Controller of Imports/Exports.

S. No.	Subject	Authorities consulted.
14.	Clearance of Dunnage wood . .	Collector of Customs, Calcutta and Chief Controller of Imports, New Delhi.
15.	Suggestions and views received from M/S Kodak Ltd., Bombay in respect of Customs matters.	Collectors of Customs, Bombay, Calcutta, Madras & Cochin.
16.	Refund of duty paid on gold imported in - to and re-exported out of India.	Central Board of Revenue.
17.	Assessment of goods imported directly by Government Departments.	Central Board of Revenue.
18.	Baggage allowances for passengers Tourist Traffic.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin. Collectors of Central Excise, Delhi, Madras, Bombay, Collector of Land Customs, Calcutta.
19.	Periodical conference of the Assistant Collectors.	Collectors of Customs, Bombay, Madras & Cochin.
20.	Uniformity in classification and method of valuation.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
21.	System of counter check in assessment by Principal Appraiser.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
22.	Reorganization of the cadre of Clearing Agents.	Collectors of Customs, Bombay, Calcutta, Madras, Cochin and Central Board of Revenue.
23.	Delegation of powers to baggage Officers.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
24.	Clearance of Cargo Imported by Air .	Collectors of Customs, Bombay, Calcutta & Madras.
25.	Posting of different sets of Appraisers to attend to different kinds of work like assessment, refunds and investigations.	Collectors of Customs, Bombay, Calcutta and Madras.
26.	Delays in disposal of Bills of Entry etc.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
27.	Simplification of procedure in respect of manufacture in bond.	Collector of Customs, Madras.
28.	Representation from U.N. Organisation in India.	Central Board of Revenue.
29.	Problems and difficulties of Diplomatic Missions and U. N. Organisations.	Collectors of Customs, Bombay, Calcutta, Madras, Cochin, and Collector of Central Excise, Delhi.
30.	Suggestions and views received from M/s B.O.A.C. (Comdr. Galpin) in respect of Customs matters.	Collectors of Customs, Bombay, Calcutta, Madras and Collector of Central Excise, Delhi.
31.	Tariff rulings—publicity of, etc. . .	Central Board of Revenue.
32.	Publication of Indian Customs Tariff Guide.	Collectors of Customs Bombay, Calcutta, Madras and Cochin.

S. No.	Subject	Authorities consulted.
33.	Simplification of Customs Tariff and Import Trade Control, Classification in the Red Book.	Collectors of Customs, Bombay, Calcutta, Madras, Cochin and Chief Controller of Imports, New Delhi.
34.	Clearance of Relief Supplies—Procedure for	Collectors of Customs, Bombay, Calcutta, Madras and Cochin; Collectors of Central Excise, Delhi and Madras and Collector of Land Customs, Calcutta.
35.	Bonds and Letters of Guarantee—Procedure regarding.	Do.
36.	Sampling of Manganese Ore—procedure regarding.	Collectors of Customs, Bombay, Madras, Calcutta, Cochin and Visakhapatnam.
37.	Customs Liaison with Trade, Port Trust Commissioner, Import Trade Control and Export Trade Control authorities and Post and Telegraph Department.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin; Collector of Land Customs, Calcutta; Collectors of Central Excise, Madras, Baroda, Delhi, Patna and Shillong.
38.	Hold up of Capital goods due to Customs' procedure.	Chief Controller of Imports & Exports, New Delhi.
39.	Importation of U.N.I.C.E.F. Supplies for Government programmes—Extensi on of Note Pass concession.	Central Board of Revenue.
40.	Statistics of cases filed in Courts since 1950 against the decisions of the Customs authorities.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin; Collector of Land Customs, Calcutta; Collectors of Central Excise, Madras, Baroda, Delhi, Patna and Shillong.
41.	Study of terms of reference of Pay Commission to avoid duplication in this Committee.	Deputy Secretary, Ministry of Finance (Deptt. of Revenue), New Delhi.
42.	Reorganization of foreign Posts in India-Statistics regarding.	Collector of Customs, Madras and Collector of Central Excise, Madras.
43.	Delay in the admission of Shipping Bills.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin and Collector of Central Excise, Madras.
44.	Accommodation in Custom Houses—Reorganization of.	Collectors of Customs, Bombay and Calcutta.
45.	Statistics regarding speed and efficiency of disposal of various documents.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
46.	Registration of Trade Control licences in the Appraising Department.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
47.	Ship's stores—Procedure for—simplification of.	Collector of Customs, Calcutta.

S. No.	Subject	Authorities consulted.
48.	Hours of business with the public adopted in various Custom Houses—information regarding.	Collectors of Customs, Bombay, Calcutta, Madras and Cochin.
49.	Statistics of No. of Passenger ships, Collection of duty and value of seizures.	Do.
50.	Resort to the provision of Section 32 of the Sea Customs Act—information regarding.	Do.
51.	Appeals against Custom House decisions—Procedure for dealing with.	Collcetors of Customs, Bombay, Calcutta and Madras.

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